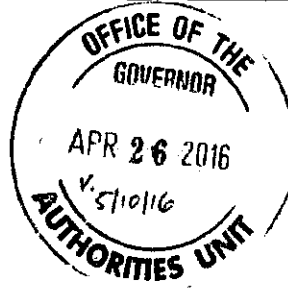


 **New Jersey
Motor Vehicle Commission**

P.O. Box 160
Trenton, New Jersey 08666-0160

STATE OF NEW JERSEY



Chris Christie
Governor

Kim Guadagno
Lt. Governor

Raymond P. Martinez
Chairman and Chief Administrator

April 26, 2016

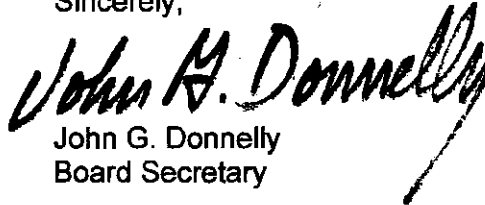
Honorable Chris Christie
Governor, State of New Jersey
State House
125 West State Street
Post Office Box 001
Trenton, NJ 08625-0001

Dear Governor Christie:

In accordance with Section 17 of The Motor Vehicle Security and Customer Service Act of 2003, constituting Chapter 13 of the laws of 2003 of the State of New Jersey, as amended pursuant to P. L. 2007, Chapter 335 and pursuant to P. L. 2009, Chapter 298, I herein transmit the minutes of actions taken at the open session of the Regular Meeting of the New Jersey Motor Vehicle Commission Board at Floor 8E, Motor Vehicle Commission Headquarters, Tuesday, April 26, 2016.

Thank you.

Sincerely,


John G. Donnelly
Board Secretary

Enclosure

STATE OF NEW JERSEY

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Raymond P. Martinez
Chairman and Chief Administrator

April 26, 2016

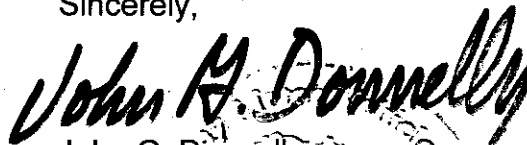
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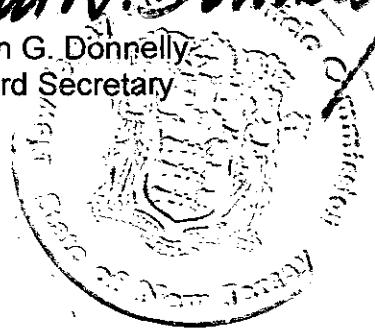
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Thank you.

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 Board 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 Tuesday, April 26, 2016.

Present:

Raymond P. Martinez, Chairman
Stephen S. Scaturro, Vice-Chairman
Laurette Asante, Public Board Member (by speakerphone)
Scott Kisch, Public Board Member (by speakerphone)
Gary Poedubicky, Attorney General Designee
James Fruscione, State Treasurer Designee (by speakerphone)

Transportation Designee Miriam Weeks and Board Member Walter Orcutt had previously advised the Chairman that they would not be able to attend today's meeting.

Governor's Authorities Unit Assistant Counsel Lisa LeBoeuf attended and Deputy Attorney General Philip Espinosa attended by speakerphone.

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 February 11, 2016 Board Meeting:

Budget FY17

Good afternoon, everyone. I want to start off today's meeting by thanking my executive and senior staff whose hard work got us through another budget season. As you are aware, over these past few weeks I've had the pleasure of addressing the Assembly Budget Committee and the Senate Budget and Appropriations Committee regarding MVC's FY17 budgetary needs. And while these hearings are never a cake-walk, it would have been much more difficult had I not had such a dedicated workforce at my side.

Toms River Employees

And speaking of a strong work force, today I want to recognize two people who gave new meaning to the phrase several months ago. I want to talk about the diligence of an employee at our Toms River Agency who spotted fraudulent documents, and the fearless actions of the police officer who tried to stop a crime.

When Giomar Diaz tried to pass fake documents at our agency, Dary Suarez -- a technician with a sharp eye who first joined the MVC back in October 2007 -- was quick to act. When Toms River Police Officer Daniel Brennan approached Mr. Diaz, he tried to flee the scene in a vehicle. This led to Officer Brennan being pinned between the door and the driver's seat of the suspect's car and subsequently being dragged approximately 25 yards before breaking free. Though he initially escaped arrest, Mr. Diaz was apprehended a few hours later and charged with multiple crimes including attempted murder, aggravated assault, and eluding police.

I'm honored to have Ms. Suarez and Officer Brennan joining us here today, along with Chief Mitch Little of the Toms River Police Department. In just a short while, I will be presenting both of them with a token of my sincere gratitude for their commitment to service and for their heroism.

Organ Donation

We also have a lot of other heroes in the room -- but it's a different kind of heroism. April is designated as National Donate Life Month. I am pleased to once again be able to say that the MVC is still the largest source of donor registrations in the State and this year we have set a new record.

According to the NJ Sharing Network, organ and tissue donation in the State of New Jersey reached a record high in 2015, increasing to 37%. The Motor Vehicle Commission's organ donor registry, as well as public education and strategic partnerships, have led this to be the largest number of registrants for this life saving endeavor. We offer a streamlined organ donation registry on our website... we include resources for would-be donors in all of our renewal notices... and promotional links appear on many of our other documents.

And to further expand these efforts, the MVC recently installed the Voter Registration/Organ Donor customer-facing signature pads in our agencies to display the prompt questions directly to the customer regarding their voter registration and organ donation wishes. This puts it right into the customer's hands ensuring correct, validated information, and that their intentions are accurately captured. As always, we will continue our efforts to promote organ donation and I encourage everyone in this room to consider this life saving gift.

Distracted Driving Month

Additionally, April is also recognized as Distracted Driving Awareness Month. Since February 2015, we have been consistently reminding motorists to put the phone down and "Just Drive" through our JUSTDRIVE.com campaign.

Just a few weeks ago, Deputy Chief Administrator Jeanne Ashmore attended a symposium in Cliffside Park, NJ with nearly 1,000 students and educators to pass this important message along to the next generation of drivers. And next month I will be at Delran High School in Burlington County visiting classrooms and relaying to the students the dangers of texting or talking on a cell phone while driving. No text message is ever important enough to cost someone their life.

And this message affects those on two-wheels, as well as four.

Motorcycle Safety

Next month is Motorcycle Safety Awareness Month. This is when we like to remind all motorists to share the road with motorcycles. On May 16th, the Commission will be co-hosting a motorcycle safety rally at Monmouth University with our friends at the Brain Injury Alliance.

We are pleased to report that motorcycle fatalities in 2015 were the lowest that they have been since 1999, and we hope to see that trend continue.

Inspections Update

And lastly, I'd like to emphasize some changes that have been in the news of late -- albeit not always accurately. We are currently overhauling our inspections program, which will both meet cost-saving needs and make the most out of advancing technologies.

The first step we are taking -- which becomes effective on May 1st -- will be to eliminate the previously mandated tailpipe emissions testing while maintaining the On-Board Diagnostics Testing (OBD) for vehicles manufactured in 1995 and earlier. That group only represents about 9% of the vehicles we currently inspect on an annual basis. That is about 3% of the vehicles registered in New Jersey and the failure rate for those inspections has held consistently at fewer than 15%, with some older vehicles as low as less than 4%. Again, that's somewhere between 85% and 96% of these older vehicles that pass this test.

With no more than 200,000 vehicles subject to tailpipe testing -- a figure that is diminishing at a rate of about 3,500 vehicles per month -- it does not make fiscal sense to mandate a program when the numbers simply aren't there to support it. And some of these vehicles that were previously tailpipe tested will now receive an OBD test.

Beginning this summer, those vehicles that fail inspection -- as well as commercial and Passenger Vehicle Transportation (PVT) vehicles -- will have to be re-inspected at a Private Inspection Facility (PIF).

We are in an era where we are able to easily and conveniently get sophisticated diagnostic technology into the hands of more than 1,200 private garages and inspection facilities throughout the State. That means ensuring cars are operating as cleanly and efficiently as possible.

And in the very near future, a new inspection program contract is set to be awarded and we will be sure -- as always -- to notify the public of any information that may affect them.

Today, we will vote to approve the final adoption of the regulation to implement these inspection program changes.

Thank you.

The following Agenda Items were presented for approval:

1604-01: Awards to Officer Daniel Brennan and MVC Tech Dary Suarez. 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 police officers and MVC staff at MVC agencies. The Board approved a resolution to recognize and thank Toms River NJ Police Officer Daniel Brennan, who demonstrated exemplary valor and selfless actions in defense of the State's security at the MVC Agency in Toms River on Tuesday, December 8, 2015 while investigating document fraud.

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

Chairman Martinez presented Officer Brennan with the framed resolution, and with the first-ever Award Plaque entitled "Law Enforcement Partner Award" that reads: "Presented to Officer Daniel Brennan for Exemplary Service to the Motor Vehicle Commission." Chairman Martinez and Officer Brennan were then joined by Toms River Police Chief Mitchell Little for photographs.

Chairman Martinez then asked MVC Tech Dary I. Suarez of the MVC Toms River Agency to join him, and presented her with the first-ever Award Plaque entitled "Security Standards Award" that reads: "Presented to Dary Suarez for Exemplary Service to the Motor Vehicle Commission." Ms. Suarez expertly recognized that paperwork presented to her by a member of the public was fraudulent and alerted Officer Brennan. The Chairman and Ms. Suarez were photographed with Police Chief Little and Officer Brennan, with acknowledgements for their daily efforts and those of their coworkers that keep us safe.

1604-02: 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 proposed amendment relative to the Motor Vehicle Dealers regulation. Sarah Miller of the Office of Regulatory and Legislative Affairs, presented the regulation.

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

Chairman Martinez noted that Ms. Miller had recently accepted a position with the New Jersey Division of Criminal Justice, and thanked her for her exemplary work while at the Commission.

1604-03: ZORF. This action is to meet the statutory requirement of The Motor Vehicle Security and Customer Service Act that at section 98 assigns to MVC the duty to implement the Zone Of Rate Freedom (ZORF) law found at N.J.S.A. 48:4-2.20 to 2.25. Board Secretary Jack Donnelly presented the proposed amendment for 2016.

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

1604-04: Emission Regulation. This action is to meet the statutory provision of the Motor Vehicle Security and Customer Service Act to promulgate rules for the proper functioning of the Commission, including this Final Adoption and New Rule relative to the emission regulation. Rebecca Donington of the Office of Regulatory and Legislative Affairs, presented the regulation with no substantive changes. Chairman Martinez noted this regulation meets federal and state requirements, and emphasized the Commission's efforts to minimize customer impact and cost while helping the environment.

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

Minutes: February 11, 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 February 11, 2016.

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

Legislative Report. A briefing was provided by Legislative Liaison Laura Hahn, including a summary of legislative activity since the February 2016 Motor Vehicle Commission (MVC) Board meeting, as follows:.

A-374 (Auth R39, Prieto D32, Schepisi R39) **Prohibits MVC from imposing duplicate license or identification card fee and digitized picture fee if duplicate is requested to reflect change in organ donor status.** The Commission takes no position officially on this bill; however, staff has expressed concerns to Governor's Counsel Office regarding the financial impact and the precedents that would potentially be created.

02/08/16: Bill was released from the Assembly Transportation and Independent Authorities Committee.

02/18/16: A-374 was passed by the Assembly unanimously.

S-737 (Beach D6) **Permits installation of GPS navigation devices which do not obstruct a motor vehicle operator's vision.** The Commission has no objection, as MVC's amendments in previous years have been incorporated and Administrative Code already permits a vehicle to be equipped with a GPS, provided that it does not obstruct the view of the driver.

02/29/16: Bill was released from the Senate Transportation Committee.

03/14/16: S-737 was passed by the Senate unanimously.

A-846 (Quijano D20, Wisniewski D19, Jimenez D32)

Allows a person with an allergy to drugs or medications to voluntarily make a notation on his/her driver's license. The Commission opposes this bill. This initiative is not consistent with the Commission's core mission and could open the door to additional functions that should not be MVC responsibilities. It's not clear why identification of driver's allergy condition needs to be provided by MVC when there are already mechanisms in place to communicate with medical responders, such as necklaces, bracelets and tags.

02/08/16: Bill released from Asb. Transportation and Independent Authorities Committee.

02/18/16: A-846 was passed by the Assembly unanimously.

A-2107 (Mukherji D33) **Exempts the homeless from a fee for a non-driver**

identification card. The Commission has expressed concerns to the Governor's Office and the bill sponsor, and asked for amendments to this legislation. As currently drafted, the bill does not specify whether the Six Point verification would be needed to obtain the non-driver identification card. Additionally, waiving the fee based on individualized economic circumstances would create a precedent that could have negative fiscal repercussions on the Commission. The amendments change the language from requiring a fee waiver to permitting a fee waiver, add a section for the MVC to promulgate rules or regulations, and extend the effective date to provide enough time for implementation.

03/07/16: Bill was released from the Assembly Human Services Committee.

04/04/16: Bill was released from the Assembly Appropriations Committee.

04/07/16: A-2107 was passed unanimously by the Assembly without MVC amendments.

A-2324 (Vainieri Huttle D37, Mukherji D33, Holley D20) **Authorizes special "We Support the Arts" license plates with proceeds to the New Jersey State Council on the Arts.** The Commission has expressed concerns to Governor's Counsel's Office and is working on amendments.

02/22/16: Bill was released from the Assembly Tourism and Gaming committee and is now on second reading in the Assembly.

A-2789 (Greenwald D6, Burzichelli D3, DeAngelo D14, Mukherji D33) **Allows the use of a rear view backup camera and parking sensors during road test.** The Commission opposes this bill. The law states that the purpose of the test is to ensure that drivers have the ability to operate a vehicle of the class designated safely with no technological assistance. Allowing this technology to aid drivers during the test offers a false sense of security. Not every vehicle is equipped with a backup camera or parking sensors, and the vehicles that do contain the technology have the potential to malfunction. In those instances, the driver may not have the skill-set to control vehicles that are not equipped with these technologies and this could be dangerous to themselves, other drivers or pedestrians. Furthermore, driver re-exams are used to evaluate the impact of physical limitations due to stroke or other medical conditions. Allowing technological assistance would negate the purpose of this test and potentially put the driver, as well as others on the road, at risk. With approval from the Governor's Office, staff sent a letter to the sponsors, expressing these concerns.

02/22/16: Bill was released from the Assembly Law and Public Safety Committee.

03/14/16: A-2789 was passed by the Assembly (71-4-0) without MVC amendments.

S-1155 (Barnes D18) **Regulates autocycles as motorcycles.** This bill defines autocycles as a three-wheeled motorcycle designed to be controlled with a steering wheel and pedals in which the operator and passenger may ride in a completely or partially enclosed seating area that is equipped with a roll cage or roll hoops, safety seat belts for each occupant, and anti-lock brakes. The Commission reached out to the Governor's Office to seek amendment. Per Governor's Office approval, the MVC reached out to the sponsors, requesting an amendment to extend the effective date to one year in order to create new regulations and amend existing ones, as well as allow for IT changes. The legislative offices said they will allow the bill to move forward; however, the Senator and Assemblyman will review the MVC's request and make any amendments when the legislation is scheduled for the Asm. Transportation Committee.

02/29/16: Bill was released from the Senate Transportation Committee.

03/14/16: S-1155 was passed by the Senate unanimously.

S-1403 (Weinberg D37, Whelan D2) **Requires the Secretary of State to establish a secure Internet website for online voter registration and authorizes the use of digitized signatures from the New Jersey Motor Vehicle Commission's database.**

The Commission defers to the Secretary of State (Division of Elections), but has asked the Governor's Office about extending the effective date to one year, in order to allow enough time for IT changes and to work with the Secretary of State's Office.

03/14/16: Bill was released from the Senate State Government, Wagering, Tourism, and Historic Preservation Committee.

S-1585 (Rice D28) **Establishes a program allowing certain applicants to perform community service in lieu of paying motor vehicle surcharges.** The "Motor Vehicle Surcharge Community Service Program," would be established in and administered by the Department of Labor and Workforce Development. S-1585 directs the Commissioner to coordinate with the Chief Administrator of the Motor Vehicle Commission to waive certain motor vehicle surcharges imposed on applicants who complete a community service project in participating counties and municipalities. The Commission opposes this bill as it would allow participants to forego paying surcharges, whether they owe \$200 or over \$20,000. Financial Management estimates that MVC would potentially lose \$2,600,000 in revenue in the first year and \$5,200,000 in subsequent years. System changes would have to occur to allow Labor to interface with MVC, in addition to reprogramming Driver History and STARS. It is also unclear whether this bill affects restoration fees.

03/10/16: Bill was released from the Senate Law and Public Safety Committee with amendments, clarifying that an applicant who completes a community service project is required to receive a certification from the commissioner.

Chairman Martinez thanked Laura for the presentation.

Public Comments:

No member of the public offered comments.

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 Asante and seconded by Director Poedubicky and unanimously adopted at 3:00 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., Tuesday, April 26, 2016

FINAL AGENDA

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• 1 – CALL TO ORDER	7479
• 2 – OPEN PUBLIC MEETINGS ACT STATEMENT	7479
• 3 – PLEDGE OF ALLEGIANCE	7479
• 4 – APPROVAL OF AGENDA	7479
• 5 – CHAIRMAN'S REPORT	7479
• 6 – APPROVAL OF ITEM 1604-01 – RESOLUTION IN HONOR OF POLICE OFFICER DANIEL BRENNAN FOR HIS VALOR AT THE TOMS RIVER AGENCY <i>and</i> PRESENTATION TO MVC TECH DARY I. SUAREZ	7488
• 7 – APPROVAL OF ITEM 1604-02 – PROPOSED AMENDMENT – MOTOR VEHICLE DEALERS REGULATION	7490
• 8 – APPROVAL OF ITEM 1604-03 – PROPOSED AMENDMENT – ZONE OF RATE FREEDOM REGULATION	7527
• 9 – APPROVAL OF ITEM 1604-04 – FINAL ADOPTION – EMISSION REGULATION	7538
• 10 – APPROVAL OF MINUTES OF FEBRUARY 11, 2016	7551
• 11 – LEGISLATIVE REPORT	7560
• 12 – PUBLIC COMMENTS	7486
• ADJOURNMENT	7486

ITEM 1604-01: Resolution in Honor of Police Officer Daniel Brennan**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 distinguished and invaluable service provided by New Jersey's police officers who secure MVC agencies through the Law Enforcement Agency Security Enhancement (LEASE) Program.

PURPOSE:

LEASE provides for a law enforcement presence at MVC agencies that helps MVC effectively maintain its system and business processes in the securest manner while addressing fraudulent and criminal activities that present threats to the State's security. MVC's partnerships with local police are critical to enforcement activities with the Department of Law and Public Safety, the New Jersey State Police, and the Division of Criminal Justice to prevent document fraud, review suspicious motor vehicle transactions, conduct investigations relating to motor vehicle activities and prosecute cases.

On Tuesday, December 8, 2015, Toms River Police Officer Daniel Brennan was at the MVC Agency on Hooper Avenue in Toms River investigating document fraud, when he was dragged some 25 yards by a car driven by a man who police said tried to flee the scene. Officer Brennan was speaking to an MVC customer suspected of document fraud when that suspect suddenly ran to a black Honda Civic and put the car in reverse with the car door open. Officer Brennan attempted to pull the suspect out of the car, but became trapped between the open door and the driver's seat and was dragged at least 25 yards before falling loose. Officer Brennan was treated at Community Medical Center and continues to recover from his injuries.

On February 15, 2016, an Ocean County Grand Jury handed up an indictment for the attempted murder of Officer Brennan. The indictment also charges the suspect with aggravated assault and eluding police. The suspect's bail is set at \$500,000 and he remains in the Ocean County Jail to await trial. He would face up to 20 years in prison if convicted of attempted murder, the most serious charge which he faces. The other charges against him carry terms ranging from 18 months to 10 years in prison.

ACTION:

Approval of the attached resolution to honor and thank Police Officer Daniel Brennan of the Toms River Police Department for his valor in keeping safe the MVC Toms River Agency.

FISCAL IMPACT:

None.

RESOLUTION

WHEREAS, Police Officer Daniel Brennan of the Toms River Police Department helps to keep secure the Motor Vehicle Commission (MVC) Agency in Toms River through the Law Enforcement Agency Security Enhancement Program (LEASE); and

WHEREAS, Police Officer Daniel Brennan demonstrated exemplary valor and selfless actions in defense of the State's security at the MVC Agency in Toms River on Tuesday, December 8, 2015 while investigating document fraud; and

WHEREAS, Police Officer Daniel Brennan through his actions through LEASE is providing a law enforcement presence at MVC agencies that helps MVC effectively maintain its system and business processes in the securest manner while addressing fraudulent and criminal activities that present threats to the State's security; and

WHEREAS, Police Officer Daniel Brennan was speaking to an MVC customer suspected of document fraud when that suspect suddenly ran to a black Honda Civic and put the car in reverse with the car door open, thus trapping Officer Brennan between the open door and the driver's seat as he attempted to pull the suspect out of the car; and

WHEREAS, Police Officer Daniel Brennan was dragged at least 25 yards before falling loose, was treated at Community Medical Center and continues to recover from his injuries; and

WHEREAS, on February 15, 2016, an Ocean County Grand Jury handed up an indictment for the attempted murder of Officer Brennan, among other charges, that could result in more than 20 years in prison if convicted of all charges; and

NOW, THEREFORE, BE IT RESOLVED, that the Commission expresses its profound appreciation and heartfelt thanks to Police Officer Daniel Brennan for his service to the Motor Vehicle Commission and the State of New Jersey and wishes him a return to full health and many more years of continued association with the Motor Vehicle Commission; and

BE IT FURTHER RESOLVED, that this resolution be spread in full upon the minutes of the meeting of the Commission held on the twenty-sixth day of April, two thousand and sixteen, and that a copy thereof signed by the Chairman and Board Members be presented with appreciation to Police Officer Daniel Brennan.

ITEM 1604-02: 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 Proposed Amendment of regulations pertaining to dealers.

PURPOSE

These are Proposed Amendments. The effect of this item is to propose changes to 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.

MVC Board Chairman and Chief Administrator Raymond P. Martinez has adopted a policy that proposed rules, such as these proposed changes to N.J.A.C. 13:21, are to be provided by the New Jersey Motor Vehicle Commission as a courtesy to inform the public about pending rules. This version is not the official text of the proposal and may differ from the official published text. The official text of the proposal is published in the New Jersey Register issue for the date indicated. Should there be any discrepancies between this version and the official version of the proposal, the official version will govern. All comments must be made consistent with instructions provided with the publishing of this proposal in the New Jersey Register.

ACTION

Approval of this item will authorize the Chairman to file these Proposed Amendments 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 these Proposed Amendments of regulations pertaining to licensed motor vehicle dealers;

NOW, THEREFORE BE IT RESOLVED that the Chairman is authorized to file these Proposed Amendments with the Office of Administrative Law (OAL); in substantially the form as attached in **Exhibit A**.

MOTOR VEHICLE COMMISSION

EXHIBIT A

LICENSING SERVICE

New Jersey Licensed Motor Vehicle Dealers

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

Authorized By: _____

Motor Vehicle Commission, Raymond P. Martinez, Chairman

Authority: N.J.S.A. 39:10-4, 39:10-19, and 39:10-20

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

Proposal Number:

Submit comments by _____, 2015 to:

Kate Tasch, Administrative Practice Officer
Regulatory and Legislative Affairs
Motor Vehicle Commission
225 East State Street
PO Box 162
Trenton, NJ 08666-0162
or via e-mail to: 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. Since this notice is not listed in the agency rulemaking calendar, the public comment period for this notice will be 60 days.

The Motor Vehicle Commission ("Commission") proposes to amend certain provisions of N.J.A.C. 13:21-15.1 et seq.

N.J.A.C. 13:21-15.1, Definitions, is proposed for amendment to include leasing dealers in this subchapter. The definition of "leasing dealer" is also amended, for consistency, to use the existing definition found in N.J.S.A. 56:12-61. Finally, new definitions for the terms "employee", "person" and "dealer" are proposed to help clarify the requirements currently in this subchapter.

N.J.A.C. 13:21-15.2, Application, is proposed for amendment to include leasing dealers and to exclude vehicles that are not required to be sold under a franchise agreement, pursuant to N.J.S.A. 56:10-26 through 31, and to incorporate the allowances of P.L. 2015, c. 24, effective March 18, 2015. The amendments also propose to codify that licensed dealers are required to produce documentation that their designated authorized signatories meet the definition of an authorized signatory in N.J.A.C. 13:21-15.1.

N.J.A.C. 13:21-15.3, Proper person, is proposed for amendment to specifically exclude leasing dealers from the provision that the dealer be a motor vehicle franchisee in order to be deemed a "Proper Person." The amendment also proposes language to incorporate the allowances of P.L. 2015, c. 24, effective March 18, 2015.

N.J.A.C. 13:21-15.4, Established place of business, is proposed for amendment to define what is required for a leasing dealer to meet the established place of business requirement. Specifically, a leasing dealer must have a permanent business location at the address submitted in the leasing dealer's application. The proposed amendment also includes additional language in subsection (c) to define the representation requirement for authorized signatories. Finally, the Commission proposes to limit the grandfather clause regarding existing places of business to only the structures that

existed prior to March 6, 2006. The proposed amendment clarifies that the exception does not extend to any new construction or additions made outside of the existing footprint of the building on or after March 6, 2006.

N.J.A.C. 13:21-15.5, Grounds for rejection, suspension, or revocation of a dealer license or issuance of a cease and desist order, is amended to incorporate the statutorily defined authority in N.J.S.A. 39:10-20 for the Chief Administrator to issue fines, in addition to a license rejection, suspension, or revocation, or issue a cease and desist order, for violations of Title 39, Chapter 10 of the New Jersey Statutes or any rule or regulation made pursuant to Title 39, Chapter 10.

N.J.A.C. 13:21-15.6, Transfer of ownership without title; presentation or reassignment of altered title documents; suspension; period of suspension; refusal to renew license, is proposed for amendment to include leasing dealers in the requirements for transfer of title of motor vehicles.

N.J.A.C. 13:21-15.8, Informing purchaser of dealer's responsibilities; suspension, revocation or refusal to renew license due to noncompliance, is amended to be consistent with N.J.S.A. 39:8-2(c), concerning the frequency of inspections for later model cars.

N.J.A.C. 13:21-15.9, Temporary registrations issued by licensed motor vehicle dealers for vehicles that are to be permanently registered in New Jersey, is proposed for amendment to define a new structure for the issuance of temporary registrations for vehicles permanently registered in New Jersey. The proposed rules require each licensee, including leasing dealers, to sell a minimum number of vehicles in order to be eligible for and retain temporary registration privileges.

N.J.A.C. 13:21-15.10, Nonresident temporary registrations issued by licensed motor vehicle dealers, is proposed for amendment to define a new structure for the issuance of temporary registrations for vehicles that will not be permanently registered in New Jersey. The proposed rules require each licensee, including leasing dealers, to sell a minimum number of vehicles in order to be eligible for and retain temporary registration privileges.

N.J.A.C. 13:21-15.11, Dealer plates, is proposed for amendment to define a new structure for the distribution of dealer and leasing dealer plates and establishing guidelines for obtaining or retaining dealer or leasing dealer plates. The proposed rules require each licensee to sell a minimum number of vehicles in order to be eligible for dealer or leasing dealer plates.

N.J.A.C. 13:21-15.13, Investigations, is proposed for amendment to include leasing dealers as entities the Chief Administrator may audit.

N.J.A.C. 13:21-15.15, Emergency disciplinary action, is proposed for amendment to include the ability to issue a preliminary suspension of a leasing dealer's license in the event of an emergent situation in which ongoing fraud, lack of insurance, destruction or vacation of premises, or other circumstances would jeopardize the integrity of the Commission's title records and the ability to prevent traffic in stolen or fraudulently titled vehicles.

Social Impact

The proposed amendments will have a positive impact on society as a whole, as their intended effect is to provide additional oversight of motor vehicle dealers and leasing dealers, more closely control and reduce fraud in the use of dealer and leasing

dealer plates and the issuance of temporary registrations, and provide for increased accountability of all licensees.

Economic Impact

The proposed amendments will not have a direct economic impact on the general public. The Commission anticipates that the implementation of the proposed amendments will have little or no economic effect on the Commission itself. The Commission anticipates that the economic impact on motor vehicle dealers and leasing dealers, if any, will be minimal. Some motor vehicle dealers who currently employ individuals who serve as authorized signatories for more than one motor vehicle dealer simultaneously may be required to hire additional personnel in order to meet the requirement that an authorized signatory serve only one dealer at a time.

Jobs Impact

The Commission anticipates that a minimal number of additional jobs will be created as a result of the proposed amendments, in order for licensees in multi-dealer complexes to comply with the requirement that authorized signatories may only serve one dealer at a time.

Federal Standards Statement

A Federal standards analysis is not required because the rules governing motor vehicle dealers and leasing dealers are dictated by State statute and are not subject to Federal requirements or standards.

Agriculture Industry Impact Statement

The proposed amendments will have no impact on the agriculture industry because the amended rules pertain to the licensing and oversight of motor vehicle dealers and leasing dealers.

Regulatory Flexibility Analysis

The majority of licensed motor vehicle dealers and leasing dealers in New Jersey are small businesses employing fewer than 100 full-time employees. The proposed amendments impose additional compliance requirements in that licensees will now be responsible for demonstrating annual retail sales and/or lease numbers to be eligible for general registration plates or to issue temporary registrations. Motor vehicle dealers are currently required to keep thorough documentation of their vehicle sales and are required to supply the Commission with the documentation upon request. However, the Commission does not currently require licensees to provide documentation of retail sales and/or leases in order to be eligible for and retain certain privileges. The cost of compliance with this requirement will be administrative in nature and will not require any additional professional services. This requirement must be uniform for all applicants and licensees in order to ensure adherence to statutory requirements. Accordingly, an exemption from the reporting and recordkeeping requirement of the proposed amendments is not warranted.

Housing Affordability Impact

The proposed amendments will have no impact on housing affordability and there is an extreme unlikelihood that the rules would evoke a change in average costs

associated with housing because they pertain solely to the licensing and oversight of motor vehicle dealers and leasing dealers.

Smart Growth Development Impact

The proposed amendments will have an insignificant impact on smart growth and are extremely unlikely to 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 the licensing and oversight of motor vehicle dealers and leasing dealers.

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

SUBCHAPTER 15. NEW JERSEY LICENSED MOTOR VEHICLE DEALERS AND LEASING DEALERS

13:21-15.1 Definitions

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

"Applicant" means any person applying for an initial license to engage in the business of buying, selling or dealing in motor vehicles, **leasing motor vehicles**, or for a renewal of an existing license and shall include all partners, officers, directors and

persons having a controlling interest in a sole proprietorship, limited liability company, corporation or other business entity.

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

"Business of buying, selling or dealing in motor vehicles" means engaging in the business of buying or selling motor vehicles on one's own account or on behalf of another or participating in any transaction, including **the brokerage or auctioning of motor vehicles**, which transaction involves the transfer of title or of legal or beneficial ownership of a motor vehicle.

"Chief Administrator" means the Chief Administrator of the Commission, as defined in this section.

"Commission" means the New Jersey Motor Vehicle Commission.

"Controlling interest" means possessing the authority to bind the applicant or licensee and shall be presumed to be held by corporate officers and directors, partners and all individuals with ownership interests of greater than 10 percent.

"Dealer" or "Motor vehicle dealer" means any natural person or entity that is engaged in the business of buying, selling or dealing in motor vehicles. Such person or entity is required to hold a dealer license pursuant to N.J.S.A. 39:10-19 et seq.

"Employee" means a person who works under the direction and control of another, in return for financial or other compensation, and provides services as an agent and not as an independent contractor.

"Leasing dealer" means [an entity licensed solely to sell motor vehicles formerly leased for 120 days or more to their lessees, to members of the lessees' families or to a licensed dealer at the termination of the respective leases] 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.

"Licensee" or "licensed dealer," means any natural person or entity that is licensed to buy, sell or deal in, or lease, motor vehicles pursuant to N.J.S.A. 39:10-19 et. seq., other than leasing dealer].

13:21-15.2 Application

(a) An application for a dealer or leasing dealer license required to be obtained under the provisions of N.J.S.A. 39:10-19 shall be verified by an oath or affirmation of the applicant and shall be on forms prescribed by the Commission and furnished to such applicants.

(b) – (e) (No change.)

(f) At the time of initial application, the applicant shall submit a list of all proposed authorized signatories to be listed on the license application and the licensee shall notify the Commission within 10 days of any change in that list on forms prescribed by the

Commission; every application shall include an affidavit by each authorized signatory that he or she has [not] **neither** been convicted of a crime arising out of fraud or misrepresentation nor previously held a license issued by the Chief Administrator or the Commission, which license was revoked and not reissued. **Upon request from the Chief Administrator, the licensee shall produce documentation demonstrating that each authorized signatory meets the definition of authorized signatory as defined in N.J.A.C. 13:21-15.1.**

(g) – (k) (No change.)

(l) At some time during the application process prior to licensure, the applicant shall submit a certificate of insurance demonstrating liability insurance covering all vehicles owned or operated by the [dealer] **applicant**, at his or her request or with his or her consent. This insurance shall be in the amount of \$ 100,000 per person per incident up to \$ 250,000 per incident for bodily injury or death, \$ 25,000 per incident for property damage, and \$ 250,000 combined personal injury and property damage per incident. This insurance shall be renewed as necessary to ensure that it remains valid for the entire prospective license term.

(m) [As of April 1, 2014, at] **At the time of initial application, an applicant who intends to sell new motor vehicles shall submit a copy of the applicant's franchise agreement(s) with [the]any motor vehicle [manufacturer(s) whose makes and models the applicant is franchised to sell] 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 to -31.**

1. [As of April 1, 2014, an] **An applicant for renewal shall submit a copy of the applicant's franchise agreement(s) with [the] any motor vehicle [manufacturer(s) whose makes and models the applicant is franchised to sell] franchisor, as defined in N.J.S.A. 56:10-26.**

(n) (No change.)

13:21-15.3 Proper person

(a) In order to be considered a proper person, an applicant must:

1. - 3. (No change.)

4. Be a motor vehicle franchisee under N.J.S.A. 56:10-26d, as evidenced by the franchise agreement(s) referenced in N.J.A.C. 13:21-15.2(m). **This requirement does not apply to leasing dealer license applicants or franchisors exempt from the franchise requirements under N.J.S.A. 56:10-27.1.**

(b) (No change.)

13:21-15.4 Established Place of Business

(a) All licensees, **except leasing dealers**, shall maintain a permanent, properly identified location, as set forth at (a)1 and 2 below, at which place of business shall be kept and maintained the books, records, and files necessary to conduct the business, including, but not limited to, all documents required by N.J.S.A. 39:10-6, all payroll records, **including but not limited to W4 or W2 records, and all records required under N.J.A.C. 12:56-4.1 et seq.**, checkbooks, and ledgers for business accounts and trust accounts, all unissued temporary registrations, dealer reassignments, corporate authorities and licenses, dealer plates, and ledgers listing all issued and unissued temporary registrations, dealer assignments, and dealer plates. In

the event that a dealership maintains branches or a licensee operates multiple licensed dealerships under common ownership or control (a dealership group), and the remaining requirements of this subsection are met at each dealership branch site or each individual dealership site within a dealership group, records that are not immediately necessary for the conduct of current business at a dealership branch site or an individual dealership site within a dealership group may be maintained at the main or principal location of the dealership or dealership group or at a centralized recordkeeping facility.

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 outside of the existing perimeter of a building licensed as a place of business prior to March 6, 2006 shall not be included in the above exception and must meet all of the requirements in this subsection.**

5. **A leasing dealer must have a permanent business location at the address submitted in the leasing dealer's application, at which place shall be kept and maintained the books, records, and files necessary to conduct the business. In the event the leasing dealer maintains branches or operates multiple licensed locations under common ownership or control, records not immediately necessary for the conduct of current business at a**

leasing dealership branch site or an individual leasing dealership site may be maintained at the main or principal location of the leasing dealership or at a centralized recordkeeping facility, provided the records are available to the Commission upon the Commission's request.

(b) (No change.)

(c) The licensee or an authorized signatory shall be present at the dealership or **leasing dealership** at all times during the business hours set forth in the application for licensure, which schedule shall be conspicuously posted along with the dealer's or **leasing dealer's** license on the [dealer's] **licensee's** premises in an area readily accessible to the public.

1. (No change.)

2. An authorized signatory shall not simultaneously represent more than one licensee at any given time during the business hours set forth in the licensee's application for licensure.

(d) A proposed place of business will not be considered suitable for approval if there already exist one or more licenses issued for, or other business entities present at, the same premises, except where there is absolutely common identity of ownership or where an affiliated motor vehicle leasing company is also licensed as a motor vehicle dealer and in such cases a record of the transactions of each licensed dealer shall be separately maintained; a proposed place of business is deemed to occupy the same premises as another dealership if the two facilities are not completely separated by exterior walls or a firewall conforming to [National] International Building Code requirements as certified by a licensed engineer, licensed architect, or municipal

code official, they do not have separate entrances, or they do not have separate, fixed, clearly identified display facilities, separate mailboxes, and separate, fixed-location (that is, not mobile or cellular) telephone systems. **The requirements of this subsection shall not apply to leasing dealers, as defined in this subchapter.**

(e) Any licensed dealer or leasing dealer who intends to change his or her business location or to open a branch operation must notify the Dealer Licensing Section of the Commission in writing at least 30 days prior to doing so.

1. In order to obtain approval of a new or a branch location, the [dealer's] licensee's notification to the Commission shall include a description of the proposed location, which description shall contain sufficient information to demonstrate that the premises will meet all the criteria set forth in this section.

(f) No [licensed dealer] licensee may relocate his or her business location or open a branch location until after notification that the site is approved by the Commission.

(g) All business records including, but not limited to, those set forth in (a) and (d) above, shall be maintained for three years on the licensed premises and shall be made available to the Commission during normal business hours on request. Records may be kept in either paper or electronic format.

(h) Every established place of business shall be equipped with office furniture and equipment, including, but not limited to, a desk, chairs, file storage, a fixed safe, electric lighting, **functioning** communications lines and equipment and climate control, sufficient to conduct business at that location.

(i) Every established place of business shall contain a secured area accessible only to the [dealer] licensee and authorized signatories for the storage of controlled Commission documents.

(j) (No change.)

13:21-15.5 Grounds for rejection, suspension, or revocation of a dealer license, **fin**es, or issuance of a cease and desist order

(a) The Chief Administrator may deny an application for a license, revoke or suspend a license after it has been granted, **issue fines as provided in N.J.S.A. 39:10-20**, or issue a cease and desist order to a licensee or to an unlicensed person or entity engaged in activities for which a license is required pursuant to N.J.S.A. 39:10-19 et seq. for any of the following reasons:

1. - 2.

3. The applicant was a previous holder of a license that was suspended or revoked for cause or **was subject to a fine** by the Chief Administrator and the terms of such suspension have not been satisfied, **the fine imposed has not been satisfied**, and/or the license has not been reissued;

4. - 18. (No change.)

(b) (No change.)

13:21-15.6 Transfer of ownership without title; presentation or reassignment of altered title documents; suspension; period of suspension; refusal to renew license

(a) No [motor vehicle dealer licensed pursuant to N.J.S.A. 39:10-19] licensee, nor any person on his or her behalf, shall present to the Commission or reassign to a subsequent purchaser a motor vehicle title issued by this or any other state, province, or

jurisdiction or any other title document that contains any erasure, obliteration, correction, or any other alteration where said alteration was reasonably detectable by a person of ordinary intelligence from a routine review of the motor vehicle title or any other title document.

(b) Except as provided in (c) below no [motor vehicle dealer licensed pursuant to N.J.S.A. 39:10-19] **licensee**, nor any person on his or her behalf, shall buy, sell, or deal in any motor vehicle unaccompanied by, or in the absence of, a valid title at the time of the transaction, except as provided pursuant to N.J.S.A. 39:10-6, 39:10-9, 39:10A-15, and 39:4-56.5.

(c) (No change.)

(d) The license of a [motor vehicle dealer] **person** who violates (a) or (b) above may be suspended for the periods set forth in (e), below, pursuant to the provisions set forth in N.J.S.A. 39:10-20.

(e) For the purpose of suspending a [motor vehicle] dealer's or **leasing dealer's** license pursuant to (b) above, each document presented or reassigned shall constitute a separate violation. For a first violation the dealer's or **leasing dealer's** license may be suspended for a period less than the unexpired period of the license or 15 days, whichever period is lesser. For subsequent violations the dealer's or **leasing dealer's** license shall be suspended for a period of not less than 15 days or more than 90 days.

(f) The Chief Administrator may revoke or refuse to renew a [dealer] license where the applicant has had two or more violations of (a) and/or (b) above, which violations resulted in a suspension pursuant to (d) above.

13:21-15.8 Informing purchaser of dealer's responsibilities; suspension, revocation or refusal to renew license due to noncompliance

(a) – (b) (No change.)

(c) Notwithstanding (b) above, in the event that the purchaser of a used passenger motor vehicle to be registered in this State does not waive, pursuant to N.J.S.A. 39:10-29, the dealer's obligation pursuant to N.J.S.A. 39:10-27, and such used passenger motor vehicle will become [four] **five** model years old within the two-month period following the calendar month of initial registration by the purchaser in this State and/or has affixed thereto an unexpired New Jersey inspection certificate of approval or inspection decal that indicates the motor vehicle is due for inspection pursuant to N.J.S.A. 39:8-1 within the two-month period following the calendar month in which such motor vehicle is initially registered by the purchaser in this State, the motor vehicle dealer shall inform the purchaser that the used passenger motor vehicle must be presented for inspection at an official inspection facility as defined in N.J.A.C. 13:20-43.1 or a private inspection facility as defined in N.J.A.C. 13:20-43.1 within 14 days of the date of issuance of the temporary authorization certificate for the motor vehicle by the Commission in order for the purchaser to exercise his or her rights under N.J.S.A. 39:10-26 through 39:10-30.

(d) – (e) (No change.)

13:21-15.9 Temporary registrations issued by licensed motor vehicle dealers **and leasing dealers** for vehicles that are to be permanently registered in New Jersey

(a) A [motor vehicle dealer, licensed pursuant to N.J.S.A. 39:10-19, and] **licensee** authorized to issue temporary registrations by the Commission may, in

accordance with this section, issue a temporary registration for a new or used vehicle to a person or entity that has purchased or leased said vehicle from such dealer or **leasing dealer** provided that said vehicle is to be permanently registered in New Jersey. A bona fide sale or lease of such vehicle is a prerequisite to the issuance of a temporary registration. Temporary registrations may be issued for passenger vehicles, noncommercial trucks, laden or unladen non-apportioned commercial vehicles, motorcycles and motorized bicycles, and may be issued for either initial or transfer registrations. If the registrant is not transferring a registration as permitted by N.J.S.A. 39:3-30, the temporary registration shall serve as both a temporary registration and marker (license plate).

(b) Licensees selling and/or leasing fewer than four vehicles permanently registered in New Jersey through a retail sale or lease in their first 12 months of operation or any 12-month period thereafter are not authorized to issue temporary registrations.

1. Licensees who have been issued their initial license and are in their first 12 months of operation will be eligible to issue temporary registrations. At the end of a licensee's first 12 months of operation, the licensee shall submit the retail sales and/or lease contracts, or other documentation deemed necessary by the Commission, to determine whether the licensee sold and/or leased at least four vehicles that were permanently registered in New Jersey during the licensee's first 12 months of operation.

2. Upon request from the Commission, the licensee shall provide documentation of its previous year's retail sales and/or leases and New Jersey

registration records. Licensees not meeting the required minimum of four retail sales or leases per year may have their authorization to issue temporary registrations revoked by the Commission.

For the purpose of this subsection only and pursuant to the definitions as found in N.J.S.A. 39:1-1 et seq., the sale of motorized bikes, all-terrain vehicles, dirt bikes, snowmobiles, motor-drawn vehicles, trailers, specialty vehicles, low-speed vehicles, or mobile or manufactured homes as defined in N.J.S.A. 52:27D-121, or any other non-traditional vehicle that is not required to have a motor vehicle dealer license issued by the Commission or not permitted to be used on public roads or highways does not count toward the sale and registration minimum required to obtain or maintain authorization to issue temporary registrations as required in this subsection.

3. A licensee not meeting the requirements to obtain or maintain authorization to issue temporary registrations will be notified in writing by the Commission and given an opportunity to request a hearing pursuant to N.J.A.C. 13:21-15.14.

4. Upon written application and sufficient proof of minimum retail sales and/or leases, a licensee's authorization to issue temporary registrations may be reinstated by the Commission.

[(b)] (c) A temporary registration shall not be issued pursuant to this section if the [motor vehicle] dealer or leasing dealer does not have in his or her possession a valid manufacturer's statement of origin or title for the vehicle and, if applicable, a valid dealer

reassignment certificate for the vehicle, except as provided pursuant to N.J.S.A. 39:10-6, 39:10-9, 39:10A-15, and 39:4-56.5.

[(c)] (d) (No change.)

[(d)] (e) A temporary registration shall not be issued pursuant to this section unless the applicant therefor presents proof of current liability insurance coverage available to the vehicle as required by N.J.S.A. 39:6B-1 and/or 39:6A-3. Such proof of current liability insurance coverage shall include, but not be limited to, a valid New Jersey insurance identification card for the vehicle, the declarations page of the insurance policy for the vehicle, or an insurance policy binder for the vehicle, a copy of which card, declaration, or binder shall be retained for three years. No [dealer] **person** shall sell, provide, transfer, or otherwise arrange for insurance coverage required pursuant to this section unless [the dealer] **he or she** is an insurance producer properly licensed by the New Jersey Department of Banking and Insurance.

[(e)] (f) (No change.)

[(f)] (g) (No change.)

[(g)] (h) A [motor vehicle dealer] **licensee** shall not in any way alter a previously issued temporary registration. A second temporary registration, valid for a 30-day period beyond the original temporary registration, may be issued only when permanent registration of a vehicle is delayed because [the]:

1. [Original] **the original** title is lost; or
2. [Lien] the lien holder has delayed in providing the original title.

[(h)] (i) A temporary registration is not transferable from one [motor vehicle dealer] **licensee** to another[, nor] **or** from one vehicle to another. A temporary

registration shall not be lent by a [motor vehicle dealer] **licensee** to a customer, another [motor vehicle dealer] **licensee**, or any other person or entity. A temporary registration shall not be issued for vehicles titled in the name of the [motor vehicle dealer,] **licensee** or for vehicles covered solely by the [dealer's] **licensee's** insurance policy.

[(i)] (j) A [[licensed motor vehicle dealer, which has been] **licensee** authorized to issue temporary registrations by the Commission[,] may purchase temporary registration paper stock from an approved vendor that is listed on the [Motor Vehicle] Commission's website, www.state.nj.us/mvc.

[(i)] (k) A temporary registration shall only be issued through the [motor vehicle dealer's] **licensee's** own account with the [Motor Vehicle] Commission's eTemp Registration Program, at a cost of \$ 3.00 per temporary registration, and shall be printed on a laser jet printer.

[(k)] (l) The [motor vehicle dealer] **licensee** or authorized signatory shall ensure that all required information is properly entered and print the temporary registration. The information shall include:

1. - 7. (No change.)

8. The [motor vehicle dealer's] **licensee's** name and dealer or leasing dealer identification number; and

9. (No change.)

[(l)] (m) The [dealer] **licensee** or authorized signatory shall securely attach the temporary registration plate issued by the [motor vehicle dealer] **licensee** pursuant to this section to the rear license plate holder of the vehicle. No portion of the temporary registration plate shall be obstructed. For a motorcycle, a motorized bicycle, or in the

event that the registrant is transferring [handicap] **persons with disabilities** plates or the temporary registration plate cannot otherwise be securely attached to the vehicle, the temporary registration plate shall be in the possession of the driver of such vehicle when it is being operated and shall be exhibited upon the request of any law enforcement official or authorized representative of the Commission.

[(m)] (n) The "temporary vehicle registration" portion of the temporary registration issued by a [motor vehicle dealer] **licensee** pursuant to this section shall be given to the registrant. This portion shall be in the possession of the driver of such vehicle when it is being operated and shall be exhibited upon the request of any law enforcement official or authorized representative of the Commission.

[(n)] (o) Any voided temporary registrations shall be kept in the possession of [such dealer] **the licensee** for three years from the issue date or void date, and shall be made available by the [licensed dealer] **licensee** for examination by authorized representatives of the Commission at any time during regular business hours. A [licensed dealer] **licensee** shall permit authorized Commission representatives on the premises of the licensee during regular business hours for the purpose of conducting such an examination of temporary registration records. In the event that a dealership maintains branches or a licensee operates multiple licensed dealerships under common ownership or control (a dealership group), and the remaining requirements of this subsection are met at each dealership branch site or each individual dealership site within a dealership group, records that are not immediately necessary for the conduct of current business at a dealership branch site or an individual dealership site within a

dealership group may be maintained at the main or principal location of the dealership or dealership group or at a centralized recordkeeping facility.

[(o)] (p) A [motor vehicle dealer] **licensee** who violates any provision of this section shall, upon notice and an opportunity to be heard, have the privilege of issuing temporary registrations suspended. In addition, a [motor vehicle dealer] **licensee** who commits such a violation may, upon notice and an opportunity to be heard, have the [motor vehicle] dealer's **or leasing dealer's** license suspended or revoked, or renewal thereof refused, by the Chief Administrator pursuant to N.J.S.A. 39:10-20.

[(p)] (q) (No change.)

[(q)] (r) A [licensed motor vehicle dealer] **licensee** [that has been] authorized to issue temporary registrations by the Commission shall print the temporary registrations using a method and type of paper stock as set forth in [(i)] (j) and [(j)] (k) above.

[(r)] (s) (No change.)

[(s)] (t) (No change.)

13:21-15.10 Nonresident temporary registrations issued by licensed motor vehicle dealers **and leasing dealers**

(a) A [motor vehicle dealer, licensed pursuant to N.J.S.A. 39:10-19, and] **licensee** authorized to issue temporary registrations by the Commission[,] may, in accordance with this section, issue a nonresident temporary registration for a new or used vehicle to a nonresident person or entity that has purchased or leased said vehicle from such dealer **or leasing dealer** while enroute to another state or Federal district, provided that said vehicle will not be permanently registered in New Jersey. A bona fide sale or lease of such vehicle is a prerequisite to the issuance of a nonresident

temporary registration. Nonresident temporary registrations may be issued for passenger vehicles, noncommercial trucks, unladen non-apportioned commercial vehicles, motorcycles and motorized bicycles. The nonresident temporary registration shall serve as both a temporary registration and marker (license plate).

(b) Licensees selling and/or leasing fewer than four vehicles permanently registered in New Jersey through a retail sale or lease in their first 12 months of operation or any 12-month period thereafter are not authorized to issue nonresident temporary registrations.

1. Licensees who have been issued their initial license and are in their first 12 months of operation will be eligible to issue nonresident temporary registrations. At the end of a licensee's first 12 months of operation, the licensee shall submit the retail sales and/or lease contracts, or other documentation deemed necessary by the Commission, to determine whether the licensee sold and/or leased at least four vehicles that were permanently registered in New Jersey during the licensee's first 12 months of operation.

2. Upon request from the Commission, the licensee shall provide documentation of its previous year's retail sales and/or leases and New Jersey registration records. Licensees not meeting the required minimum of four retail sales or leases per year may have their authorization to issue nonresident temporary registrations revoked by the Commission.

For the purpose of this subsection only and pursuant to the definitions as found in N.J.S.A. 39:1-1 et seq., the sale of motorized bikes, all-terrain vehicles, dirt bikes, snowmobiles, motor-drawn vehicles, trailers, specialty vehicles, low-

speed vehicles, or mobile or manufactured homes as defined in N.J.S.A. 52:27D-121, or any other non-traditional vehicle that is not required to have a motor vehicle dealer license issued by the Commission or not permitted to be used on public roads or highways does not count toward the sale and registration minimum required to obtain or maintain authorization to issue nonresident temporary registrations as required in this subsection.

3. A licensee not meeting the requirements to obtain or maintain authorization to issue nonresident temporary registrations will be notified in writing by the Commission and given an opportunity to request a hearing pursuant to N.J.A.C. 13:21-15.14.

4. Upon written application and sufficient proof of minimum retail sales and/or leases, a licensee's authorization to issue nonresident temporary registrations may be reinstated by the Commission.

[(b)] (c) A nonresident temporary registration shall not be issued pursuant to this section if the [motor vehicle] dealer or leasing dealer does not have in his or her possession a valid manufacturer's statement of origin or title for the vehicle and, if applicable, a valid dealer reassignment certificate for the vehicle, except as provided pursuant to N.J.S.A. 39:10-9.

[(c)] (d) (No change.)

[(d)] (e) (No change.)

[(e)] (f) (No change.)

[(f)] (g) (No change.)

[(g)] (h) A [motor vehicle dealer] **licensee** shall not extend the expiration date of a nonresident temporary registration, nor issue another nonresident temporary registration to the same registrant for the same vehicle. A [motor vehicle dealer] **licensee** shall not in any way alter a previously issued nonresident temporary registration.

[(h)] (i) A nonresident temporary registration is not transferable from one [motor vehicle dealer] **licensee** to another[, nor] or from one vehicle to another. A nonresident temporary registration shall not be lent by a [motor vehicle dealer] **licensee** to a customer, another [motor vehicle dealer] **licensee**, or any other person or entity. A nonresident temporary registration shall not be issued for vehicles titled in the name of the [motor vehicle dealer] **licensee** or for vehicles covered solely by the [dealer's] **licensee's** insurance policy.

[(i)] (j) A [licensed motor vehicle dealer] **licensee**[, which has been] authorized to issue nonresident temporary registrations by the Commission[,] may purchase temporary registration paper stock from an approved vendor that is listed on the [Motor Vehicle] Commission's website, www.state.nj.us/mvc. A [licensed motor vehicle dealer] **licensee**[, which has been] authorized to issue nonresident temporary registrations through the Commission's eTemp Tag Program may issue them at a cost of \$ 5.00 per nonresident temporary registration.

[(j)] (k) A nonresident temporary registration shall only be issued through the [dealer's] **licensee's** own account and shall be printed on a laser jet printer.

[(k)] (l) The [motor vehicle dealer] **licensee** or authorized signatory shall ensure that all **required** information is properly entered and print the nonresident temporary registration. The information shall include:

1. - 6. (No change.)

7. The [motor vehicle dealer's] **licensee's** name and dealer or **leasing dealer** identification number; and

8. (No change.)

[(l)] (m) [The nonresident temporary registration plate issued by a motor vehicle dealer pursuant to this section shall be securely attached by the dealer or authorized signatory to the rear license plate holder of the vehicle.] **The licensee or authorized signatory shall securely attach the nonresident temporary registration plate issued by the licensee pursuant to this section to the rear license plate holder of the vehicle.** No portion of the nonresident temporary registration **plate** shall be obstructed. For a motorcycle, a motorized bicycle, or in the event that the registrant is transferring [handicap] **persons with disabilities** plates or the nonresident temporary registration **plate** cannot otherwise be securely attached to the vehicle, the nonresident temporary registration **plate** shall be in the possession of the driver of such vehicle when it is being operated and shall be exhibited upon the request of any law enforcement official or authorized representative of the Commission.

[(m)] (n) Any voided nonresident temporary registrations shall be kept in the possession of the [dealer] **licensee** for three years from the issue date or void date, and shall be made available by the [licensed dealer] **licensee** for examination by authorized representatives of the Commission at any time during regular business hours. A

[licensed dealer] **licensee** shall permit authorized Commission representatives on the premises of the licensee during regular business hours for the purpose of conducting such an examination of nonresident temporary registration records. In the event that a dealership maintains branches or a licensee operates multiple licensed dealerships under common ownership or control (a dealership group), and the remaining requirements of this subsection are met at each dealership branch site or each individual dealership site within a dealership group, records that are not immediately necessary for the conduct of current business at a dealership branch site or an individual dealership site within a dealership group may be maintained at the main or principal location of the dealership or dealership group or at a centralized recordkeeping facility.

[(n)] **(o)** A [motor vehicle dealer] **licensee** who violates any provision of this section shall, upon notice and an opportunity to be heard, have the privilege of issuing **nonresident** temporary registrations suspended. In addition, a [motor vehicle dealer] **licensee** who commits such a violation may, upon notice and an opportunity to be heard, have the [motor vehicle] dealer's or **leasing dealer's** license suspended or revoked, or renewal thereof refused, by the Chief Administrator pursuant to N.J.S.A. 39:10-20.

[(o)] **(p)** (No change.)

[(p)] **(q)** A [licensed motor vehicle dealer] **licensee** [that has been] authorized to issue nonresident temporary registrations by the Commission shall print them using a method and type of paper stock as set forth in [(i)] **(j)** and [(j)] **(k)** above.

[(q)] **(r)** (No change.)

[(r)] (s) (No change.)

13:21-15.11 Dealer [Plates] and leasing dealer plates

(a) Licensees selling or leasing fewer than four vehicles permanently registered in New Jersey through a retail sale or lease in their first 12 months of operation or any 12-month period thereafter are not authorized to obtain or retain dealer or leasing dealer plates.

1. Upon request from the Commission, a licensee shall provide documentation of its previous year's retail sales and/or leases, as applicable, and New Jersey registration records. Licensees not meeting the required minimum of four retail sales or leases per year may be required to forfeit their dealer or leasing dealer plates.

For the purpose of this subsection only, the sale of mobile or manufactured homes as defined in N.J.S.A. 52:27D-121, motorized bikes, ATVs, dirt bikes, snowmobiles, motor-drawn vehicles as defined in N.J.S.A. 39:1-1, trailers, specialty vehicles, low-speed vehicles, or any other non-traditional vehicle that is not required to have a motor vehicle dealer license issued by the Commission or not permitted to be used on public roads or highways shall not be counted toward the sale and/or lease and registration minimum required to be eligible for general registration plates.

(b) New motor vehicle dealers shall receive no more than 20 dealer plates upon initial issuance of a new motor vehicle dealer license. Dealers who can show to the satisfaction of the Commission that 20 dealer plates will not be sufficient for their inventory may submit a request for additional plates. A dealer's

request for additional plates must be submitted in writing and accompanied by documentation of the dealer's business model/plans, cars in inventory, sales numbers from other states of licensure (if applicable) and any other documents that may assist the Commission in determining sufficient need for the dealer's request.

(c) Used motor vehicle dealers shall receive no more than one set of dealer plates upon initial issuance of a used motor vehicle dealer license. Dealers who can show to the satisfaction of the Commission that one set of dealer plates will not be sufficient for their inventory may submit a request for additional plates not to exceed 20 plates on initial issuance, except as provided in (e) below. A dealer's request for additional plates must be submitted in writing and accompanied by documentation of the dealer's business model/plans, cars in inventory, sales numbers from other states of licensure (if applicable) and any other documents that may assist the Commission in determining sufficient need for the dealer's request.

(d) Leasing dealers shall receive no more than one set of leasing dealer plates upon initial issuance of a leasing dealer license. Leasing dealers who can show to the satisfaction of the Commission that one set of leasing dealer plates will not be sufficient for their inventory may submit a request for additional plates not to exceed 20 plates on initial issuance, except as provided in (e) below. A leasing dealer's request for additional plates must be submitted in writing and accompanied by documentation of the leasing dealer's business model/plans, cars in inventory, sales numbers from other states of licensure (if applicable) and

any other documents that may assist the Commission in determining sufficient need for the leasing dealer's request.

(e) Used motor vehicle dealers or leasing dealers who can show, to the satisfaction of the Commission, that their current supply of dealer or leasing dealer plates is insufficient may submit a request for additional plates, except that no dealer or leasing dealer may obtain more plates than allowed by this subchapter as indicated below:

1. Used motor vehicle dealers or leasing dealers selling and/or leasing 4-30 vehicles registered in New Jersey per license year are eligible for no more than one set of plates.

2. Used motor vehicle dealers or leasing dealers selling and/or leasing 31-60 vehicles registered in New Jersey per license year are eligible for no more than two sets of plates.

3. Used motor vehicle dealers or leasing dealers selling and/or leasing more than 60 vehicles registered in New Jersey per license year are eligible for one additional set of plates for every additional 30 vehicles sold/leased and permanently registered in New Jersey per license year.

(f) A request for additional plates must be submitted in writing and accompanied by documentation of the licensee's retail sales and/or lease numbers.

[(a)] (g) All dealer and leasing dealer plates shall be accounted for in an electronic or written record, for which the following information is listed for each dealer or leasing dealer plate:

1. (No change.)

2. (No change.)

3. The location at which the vehicle to which the plate is assigned is garaged (if not on the dealer's or **leasing dealer's** premises).

[(b)] **(h)** (No change.)

[(c)] **(i)** A [motor vehicle dealer] **licensee** who fails upon the demand of the Commission to produce the electronic or written record required pursuant to [(a)] **(g)** above shall, upon notice and opportunity to be heard, be subject to suspension or revocation of the [motor vehicle] dealer's or **leasing dealer's** license or [the suspension or revocation of] the privilege of retaining dealer or **leasing dealer** plates heretofore issued or purchasing additional plates.

[(d)] **(j)** (No change.)

[(e)] **(k)** (No change.)

[(f)] **(l)** No dealer or **leasing dealer** plates shall be affixed to a vehicle other than one titled in the name of the [dealer] **licensee** or for which title documents are accompanied by a bill of sale or documents are held by the [dealer] **licensee** to whom the plates were issued.

1. Title documents shall include a manufacturer's certificate of origin or a title of which the [dealer] **licensee** is the endorsee.

[(g)] **(m)** (No change.)

(n) A dealer or **leasing dealer** plate that is damaged to the extent that the plate is no longer readable from a reasonable distance or unable to be affixed to a vehicle in the proper manner may be remade for any licensee upon request to the

Commission, and in the sole discretion of the Chief Administrator. A dealer or leasing dealer plate that was lost, stolen, or completely destroyed shall not be remade.

1. The remake shall contain the same alpha-numeric combination as the damaged plate. Requests for remade plates must be made in writing on a form prescribed by the Commission and accompanied with a replacement plate fee pursuant to N.J.A.C. 13:20-34.5. Remade plates shall not be released to the requesting dealer or leasing dealer until the Commission has received the original damaged plate.

2. Failure to return the damaged plate after requesting a remake may result in forfeiture of any applicable deposit and denial of the request for issuance of the same alpha-numeric combination as the damaged plate.

(o) A licensee not meeting the requirements to obtain or maintain dealer or leasing dealer plates will be notified in writing by the Commission.

1. Upon the Chief Administrator's determination that one or more dealer or leasing dealer plates are to be forfeited, the licensee shall return to the Commission all dealer or leasing dealer plates and any related documentation within 45 days of notification by the Commission. Failure to return the requested plates to the Commission within 45 days of notification may result in the suspension of the registration associated with such plates, forfeiture of any associated deposit(s), and/or suspension of the dealer or leasing dealer license.

13:21-15.13 Investigations

(a) The Chief Administrator may investigate or cause to be investigated, on complaint or on his or her own motion, any allegations of violations of the statutes or rules governing the conduct of [motor vehicle dealers] **licensees**.

(b) The Chief Administrator or designee shall have the authority to enter onto the premises of any individual or entity engaged in the business of buying, selling or dealing in motor vehicles, **any licensed motor vehicle dealer, or any licensed leasing dealer** for the purpose of surveying the premises, examining the books and records and otherwise ascertaining that the business is in compliance with the applicable law.

(c) The Chief Administrator shall have the authority to issue subpoenas [and] , to administer oaths, and to compel the production of documents and/or the appearance of witnesses at hearings in any action concerning the license of a [motor vehicle dealer] **licensee**.

(d) If a licensee or applicant fails to cooperate in an investigation or to comply with a subpoena or order to produce documents or appear at a hearing, the Chief Administrator may suspend [or] , revoke, or decline to issue or to renew the [motor vehicle] dealer's **or leasing dealer's license or issue a fine pursuant to N.J.S.A.**

39:10-20.

13:21-15.15 Emergency disciplinary action

(a) In the event of an emergent situation, in which ongoing fraud, lack of insurance, destruction or vacation of premises, or other circumstances would jeopardize the integrity of the Commission's title records and the ability to prevent traffic in stolen or

fraudulently titled motor vehicles, the Commission may immediately issue a preliminary suspension of the dealer's or **leasing dealer's** license.

(b) - (d) (No change.)

ITEM 1604-03: ZONE OF RATE FREEDOM (Z.O.R.F.) REGULATION**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, at section 98 assigns to MVC the duty to implement the Zone Of Rate Freedom (Z.O.R.F.) law found at N.J.S.A. 48:4-2.20 to 2.25. In 1995, the New Jersey Department of Transportation (NJDOT) had assigned this duty to the former Division of Motor Vehicles (DMV) when DMV was transferred to NJDOT, and MVC has inherited it.

PURPOSE

The effect of this proposed rule for ZORF for 2016 is to fulfill the statutory requirement that MVC set a percentage limit or "Zone" within which private bus companies are *free* to adjust their *rates* (or fares or charges) for in-state bus routes. Under P.L. 1983, c.517, private bus companies are free to make these adjustments. Of over 100 such companies, typically up to five exercise that freedom annually and notify MVC, which confirms any adjustment is within the ZORF Zone. The attached proposal for 2016 has a 10% increase and 10% decrease.

ACTION

Approval of this item will authorize the Chairman to file the 2016 ZORF Regulation with the Office of Administrative Law (OAL) as a Proposed Rule. The rule states in relevant part:

"16:53d-1.1 General Provisions.

Any regular route autobus carrier operating within the State which seeks to revise its rates, fares or charges in effect as of the time of the promulgation of this rule shall not be required to conform with N.J.A.C. 16:51-3.10...provided the increase or decrease in the rate, fare or charge, or the aggregate of increases and decreases in any single rate, fare or charge is not more than the maximum percentage increase (10 percent for 2016) or decrease (10 percent for 2016), upgraded to the nearest \$.05."

MVC Board Chairman and Chief Administrator Raymond P. Martinez has adopted a new policy that proposed rules are to be provided by the New Jersey Motor Vehicle Commission as a courtesy to inform the public about pending rules. This version is not the official text of the proposal and may differ from the official published text. The official text of the proposal is published in the NJ Register issue for the date indicated. Should there be any discrepancies between this version and the official version of the proposal, the official version will govern. All comments must be made consistent with instructions provided with the publishing of this proposal in the New Jersey Register.

FISCAL IMPACTS

MVC does not receive any proceeds from any rate, fare or charge adjustments. It is fulfilling a duty assigned to DMV in 1995. For illustrative purposes, a 10% increase on a \$1.65 fare would result in a \$.10 fare adjustment to \$1.85, and a 10% decrease on a \$1.25 fare would result in a \$.15 fare adjustment to \$1.10.

RESOLUTION

WHEREAS, The Motor Vehicle Security and Customer Service Act, P.L. 2003, c.13, as the enabling statute that created the Motor Vehicle Commission, and as amended by P.L. 2007, c. 335 and by P. L. 2009, Chapter 298, at section 98 assigns to the Motor Vehicle Commission the duty to implement the Zone Of Rate Freedom (Z.O.R.F.) law found at N.J.S.A. 48:4-2.20 to 2.25; and

WHEREAS, in 1995, the New Jersey Department of Transportation (NJDOT) had assigned this duty to the former Division of Motor Vehicles (DMV) when DMV was transferred to NJDOT; and

WHEREAS, the Zone of Rate Freedom law authorizes limits or zones within which private bus companies are free to adjust their in-state bus route rates, fares or charges;

NOW, THEREFORE BE IT RESOLVED that the Chairman is authorized to file with the Office of Administrative Law a notice of the proposal of the Zone of Rate Freedom regulation for 2016, in substantially the form as attached in **Exhibit A**.

TRANSPORTATION

EXHIBIT A

MOTOR VEHICLE COMMISSION

REGULATORY AFFAIRS (COMMERCIAL PASSENGER TRANSPORTATION)

Zone of Rate Freedom

Proposed Amendment: N.J.A.C. 16:53D-1.1

Authorized By: _____

Raymond P. Martinez, Chairman,
Motor Vehicle Commission

Authority: N.J.S.A. 27:1A-5, 27:1A-6, 48:2-21, and 48:4-2.20 through 2.25

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

Proposal Number:

Submit written comments by _____, 2016 to:

Kate Tasch, APO
Attention: Regulatory and Legislative Affairs
New Jersey Motor Vehicle Commission
225 East State Street
PO Box 162
Trenton, NJ 08666-0162
or via e-mail to rulecomments@mvc.nj.gov

The agency proposal follows:

The public comment period for this proposal will be 60 days, since the proposal is not listed in the agency calendar. This notice of proposal is exempted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

The Motor Vehicle Commission (hereinafter "the Commission") proposes to amend the provisions of N.J.A.C. 16:53D, Zone of Rate Freedom.

The Commission is statutorily obligated to establish for each calendar year a Zone of Rate Freedom (ZORF) for regular route private autobus carriers providing service within the State. See N.J.S.A. 48:4-2.21, as amended by P.L. 2003, c. 13, §98. See also N.J.S.A. 48:4-2.20 through 2.25. The ZORF is the maximum permitted percentage increase adjustment and the maximum permitted percentage decrease adjustment that a private autobus carrier may make to its rate, fare or charge for intrastate regular route service without first having to petition the Commission for approval. The maximum ZORF percentage amounts for increases and decreases take into account the varying fares currently charged by intrastate regular route private autobus operators. In accordance with N.J.S.A. 48:4-2.21, relevant factors that must be considered by the Commission in setting the ZORF percentages include, but are not limited to, the availability of alternative means of transportation; fluctuations in operational bus costs; and rates, fares, and charges existing in the bus industry and in other related transportation services, as well as the interests of the users of bus service in this State.

As long as the autobus carrier's fare adjustments remain within the designated ZORF percentage range, the carrier need only give notice to the Commission and the bus-riding public of the rate, fare, or charge adjustment. However, should a regular route private autobus carrier need a percentage fare adjustment greater than that allowed by the ZORF, the carrier will be required to

comply with the petitioning procedures set forth in N.J.S.A. 48:2-21 and 48:2-21.1.

The ZORF percentage limitations set forth in N.J.A.C. 16:53D-1.1 apply only to regular route private autobus carriers. N.J.S.A. 48:4-2.25 authorizes the Commission to exempt rates, fares and charges for regular route in the nature of special (casino bus operations), charter, and special autobus operations from this regulation, so long as carriers engaged in such operations file annual tariffs with the Commission.

N.J.A.C. 16:53D-1.1 consists of general provisions and standards that regular route private autobus carriers must follow, and specifies the maximum ZORF percentages for rate, fare, or charge increases and decreases for the calendar year and exempts student, senior, transfer, interline and other unique rates, fares or charges for a regular route from the requirements of this chapter provided they remain less than the current or adjusted regular route fare applicable to the route.

Social Impact

The proposed amendments have a positive social impact in that they enable private autobus carriers to increase or decrease regular route fares marginally within established limits without having to undertake costly and time-consuming formal administrative proceedings. Since the ZORF fare adjustment mechanism allows autobus carriers to effectuate minor changes to their regular route fares without the necessity of making a complex, formal tariff filing with the

Commission, the ZORF fare adjustment procedures result in cost and time savings for both the regulated industry and the Commission. The ZORF-controlled fare increases also encourage autobus carriers to invest in new buses and in the servicing and maintenance of their existing fleet of buses, while at the same time protecting the public from unreasonable fare increases. The ZORF percentage limit for fare decreases discourages predatory fare-reducing tactics designed to reduce or eliminate competition. In sum, the ZORF fare adjustment mechanism has a positive impact upon the autobus industry and the Commission while also benefiting the public interest.

Economic Impact

The proposed amendments offer privately owned autobus companies a measure of flexibility in effectuating marginal adjustments to their regular route fares. Such companies can avoid the rate increase petition process set forth in N.J.S.A. 48:2-21 and 48:2-21.1, which is costly and time consuming, provided the fare adjustment that is sought remains within the percentage limits set forth in the ZORF rules. Although the ZORF provides a mechanism for regular route private autobus carriers to increase rates, fares, or charges, any adverse impact of such fare increases upon the public will be mitigated by the percentage limitations set forth in N.J.A.C. 16:53D-1.1. The ZORF percentage limitations are intended to ensure that only reasonable rate, fare, or charge increases will occur. The exemption of charter, casino, and special bus operations from the ZORF rules will have no adverse economic impact on the public because the

competitive nature of these markets due in large part to their elastic demand, protects consumers from unreasonable rate, fare, or charge adjustments.

Federal Standards Statement

A Federal standards analysis is not required because the rules that are the subject of this proposed readoption are dictated by State statutes and are not subject to Federal requirements or standards.

Jobs Impact

Although the ZORF rules could theoretically have an impact upon the jobs of private autobus carrier employees and the bus-riding public, no specific number of jobs generated or lost as a result of these rules can be calculated. With limits on fare increases, private autobus carriers could conceivably adjust their employee levels to address financial constraints. Similarly, the ability of commuters to travel to their job sites could be affected by any changes made by such autobus carriers in bus routes or service to certain areas caused by shifts in employee staffing levels. However, it should be noted that rate change protection for both autobus carriers and commuters exists in other statutes and regulations that govern rate changes outside the ZORF limits.

Agriculture Industry Impact

The proposed amendments will have no impact on the agriculture industry.

Regulatory Flexibility Analysis

The proposed amendments affect private autobus carriers that are small businesses as that term is defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq.

Regular route private autobus carriers that seek ZORF fare adjustments are required to comply with N.J.A.C. 16:53D-1.2. That chapter requires that such carriers notify the Commission of a ZORF fare adjustment by filing a complete schedule of all current fares and all fares that will be adjusted. The carrier must also provide public notice of the ZORF fare adjustment in accordance with N.J.A.C. 16:53D-1.2 herein and must file with the Commission an affidavit confirming its compliance with said public notice requirement.

These regulatory mandates constitute reporting, recordkeeping, and compliance requirements as defined in the Regulatory Flexibility Act. However, they affect only those private autobus carriers that choose to avail themselves of the ZORF fare adjustment procedure. The Commission believes that these reporting, recordkeeping, and compliance requirements are minimal and impose no burden on regular route private autobus carriers. Nor are professional services, such as those provided by engineers, attorneys or accountants, required for compliance with the reporting and recordkeeping provisions of this rule. In fact, the ZORF fare adjustment mechanism is substantially less burdensome than the rate increase petition process to which autobus carriers are subject under N.J.S.A. 48:2-21 and 48:2-21.1.

Smart Growth Impact

It is not anticipated that the proposed amendments will have any impact on the achievement of smart growth and the implementation of the State Development and Redevelopment Plan within the meaning of Executive Order No. 4 (2002).

Housing Affordability Impact

It is not anticipated that the proposed amendments will have any impact on housing costs because the scope of the regulation, inasmuch as it applies only to procedures for amending regular route autobus fares, is minimal, and there is an extreme unlikelihood that it would evoke a change in the average costs associated with housing.

Smart Growth Development Impact

It is anticipated that the proposed readoption will have only an insignificant impact, if any, on any new construction. Moreover, because the rule applies only to the procedures for adjustment of autobus fares, it does not apply to housing units at all. Thus, the scope of the regulation is minimal and there is an extreme unlikelihood that the readoption will evoke a change in the housing production within Planning Areas 1 or 2, or within designated centers under the State Development and Redevelopment Plan.

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

16:53D-1.1 General provisions

(a) Any regular route autobus carrier operating within the State, which carrier seeks to revise its rates, fares or charges in effect as of the time of the promulgation of this rule, shall not be required to conform with N.J.A.C. 16:51-3.10, Tariff filings that do not propose increases in charges to customers, or N.J.A.C. 16:51-3.11, Tariff petitions that propose increases in charges to customers, provided the increase or decrease in the rate, fare or charge, or the aggregate of increases and decreases in any single rate, fare or charge is not more than the maximum percentage increase (10 percent for [2015] **2016**) or decrease (10 percent for [2015] **2016**), upgraded to the nearest \$.05.

1. For illustrative purposes, the following chart sets forth the [2015] **2016** percentage maximum for increases to particular rates, fares or charges and the resultant amount as upgraded to the nearest \$.05:

<u>Present Fare</u>	<u>Percent of Increase</u>	<u>Increase Upgraded</u> <u>To Nearest \$.05</u>
\$ 2.00 or less	10.0%	\$.20
\$ 2.05-\$ 2.50	10.0%	\$.25
\$ 2.55 upward	10.0%	\$.30+

2. For illustrative purposes, the following chart sets forth the [2015]2016 percentage maximum for decreases to particular rates, fares or charges and the resultant amount as upgraded to the nearest \$.05:

<u>Present Fare</u>	<u>Percent of</u>	<u>Decrease Upgraded</u>
	<u>Decrease</u>	<u>To Nearest \$.05</u>
\$.0 or less	10%	\$.05
\$.55 to \$ 1.00	10%	\$.10
\$ 1.05 upward	10%	\$.15+

3. Except as may be provided in the Certificate of Public Convenience and Necessity, changes to student, senior, transfer, interline and other unique rates, fares or charges for a regular route shall not be subject to the requirements of this chapter, provided they remain less than the current or adjusted regular route fare applicable to the route.

16:53D-1.2 Requirements

(a) No change.

16:53D-1.3 Exemptions

No change.

ITEM 1604-04: ENFORCEMENT SERVICE 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 the Inspection/Maintenance (I/M) Program, and New Rule pertaining to the inspection of emergency exit doors on buses as required by the Federal Motor Carrier Safety Act.

PURPOSE

This is a Final Adoption and a New Rule. The effect of this item is to adopt changes to the Enforcement Service Regulation that implements various provisions of Title 39 and N.J.A.C. 13:20.

ACTION

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

FISCAL IMPACTS

These changes to N.J.A.C. 13:20 do not require a revision to the Annual Budget for Fiscal Year 2016 that was approved by the MVC Board at their August 2015 meeting, and any possible reduction to Commission costs in FY17 would be presented to the MVC Board at their August 2016 meeting.

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 the Inspection/Maintenance (I/M) Program, and New Rule pertaining to the inspection of emergency exit doors on buses as required by the Federal Motor Carrier Safety Act, in the Enforcement Service Regulation at N.J.A.C. 13:20;

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

TRANSPORTATION

EXHIBIT A

MOTOR VEHICLE COMMISSION

Enforcement Service

Vehicle Inspection Rules

Emergency Exit Doors in Buses

Adopted Amendments: N.J.A.C. 13:20-7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 26.2, 26.11, 26.12, 26.16, 26.17, 32.1, 32.2, 32.3, 32.4, 32.20, 32.21, 32.22, 32.34, 33.1, 33.2, 33.3, 33.4, 33.5, 33.6, 33.7, 33.8, 33.9, 33.10, 33.11, 33.12, 33.13, 33.14, 33.15, 33.16, 33.17, 33.18, 33.19, 33.20, 33.21, 33.22, 33.23, 33.24, 33.25, 33.26, 33.27, 33.28, 33.29, 33.30, 33.31, 33.32, 33.33, 33.34, 33.35, 33.36, 33.37, 33.38, 33.39, 33.40, 33.41, 33.42, 33.43, 33.44, 33.45, 33.46, 33.47, 33.48, 33.49, 33.50, 43.1, 43.2 43.2A, 43.4, 43.5, 43.6, 43.7, 43.8, 43.14, 43.16, 44.2, 44.3, and 44.10

Adopted Repeal and New Rule: N.J.A.C. 13:20-33 Appendix C

Adopted New Rule: N.J.A.C. 13:20-33.51

Adopted Repeals: N.J.A.C. 13:20-32.5 through 32.19, 32.23 through 32.33, and 32.35 through 32.49.

Proposed: February 16, 2016, at 48 N.J.R. 249

Filed: _____, with technical changes not requiring additional public notice and comment (see N.J.A.C. 1:30-6.3)

Authority: N.J.S.A. 39:8-1, 39:8-2, 39:8-4, 39:8-4.1, 39:8-10, 39:8-45, 39:8-52, 39:8-53, 39:8-57, 39:8-64, 39:8-69, and 39:8-77.

Effective Date: _____, 2016

Expiration Date:

Summary of Public Comment and Agency Responses:

Sal Risalvato, Executive Director, New Jersey Gasoline, C-Store, Automotive Association (NJGCA) submitted written comments to the Commission regarding the notice of proposal.

1. COMMENT: NJGCA supports the end of emissions inspections for vehicles Model Year (MY) 1995 and older. These vehicles, which do not have on-board diagnostic (OBD) systems, require

a more costly and time-consuming form of inspection, the two-speed idle (TSI) test. NJGCA comments indicate that the TSI test costs significantly more due to increased labor costs to perform the test, significantly more expensive inspection equipment, and monthly maintenance fees to calibrate the equipment. NJGCA points out there is not enough potential revenue to make TSI inspections worth the upfront and ongoing investment and opines that licensed private inspection facilities (PIF) will abandon the program before investing in new TSI equipment. NJGCA comments further indicate that from an environmental standpoint, the minimal benefit to the environment from continuing TSI inspections is outweighed by the costs involved in maintaining TSI inspection requirements. NJGCA also opines that eliminating TSI inspections will not necessarily result in detrimental effect to air quality because the vast majority of motor vehicles will continue to work as well as they currently do, and those that do suffer some form of malfunction will potentially be replaced with an OBD-capable car.

RESPONSE: The Commission appreciates and agrees with the favorable comment and thanks NJGCA for their support.

2. COMMENT: NJGCA strongly supports having all eligible commercial vehicle inspections be performed at PIFs. Commercial vehicles, unlike passenger vehicles, are still required to undergo an annual safety inspection. In addition to the tremendous societal benefit that comes from having these vehicles inspected for safety reasons, independent auto repairers also benefit. NJGCA's comment indicates that having a safety inspection performed at a PIF ensures that the inspection is performed by a professional who can alert the owner to general maintenance concerns, and any problems can be fixed immediately, without the need to make a separate appointment or trip. NJGCA further indicates that PIFs, most of which are small business owners, will prosper by increased inspections, which will create jobs and increase tax revenue.

RESPONSE: The Commission appreciates and agrees with the favorable comment and thanks NJGCA for their support.

3. COMMENT: NJGCA supports the requirement that all re-inspections are to be performed at

PIFs. NJGCA comments that although this will result in an increased inspection volume at the PIFs, it will not result in a meaningful increase in profits because re-inspection fees are capped. The real advantage is the PIFs' opportunity to establish new customer relations. NJGCA also points out that this change will stop certain motorists from taking advantage of taxpayers by obtaining multiple "free" re-inspections hoping to slip through the cracks and avoid emission repairs, because these re-inspections are not free, as the Commission pays a contractor for each inspection.

RESPONSE: The Commission appreciates and agrees with the favorable comment and thanks NJGCA for their support.

4. COMMENT: NJGCA supports the various changes to simplify the licensing classifications for PIFs. NJGCA is also pleased by the fact that Class I facilities, which currently only perform OBD inspections on light duty vehicles, will now be able to perform them on heavy duty vehicles.

RESPONSE: The Commission appreciates and agrees with the favorable comment and thanks NJGCA for their support.

5. COMMENT: NJGCA is concerned the term "passenger vehicle transportation" is too similar to "passenger vehicle," the requirements for which are substantially different. NJGCA seeks clarification that both the registration and the license plate will still read "limousine," "taxicab," etc. and not "passenger vehicle transportation." Additionally, NJGCA comments that this regulatory proposal should have created a new term, "transportation network vehicle," to cover passenger vehicles providing ridesharing for pay, and require those vehicles, like taxis and limousines, to be subject to annual emission and safety inspections.

RESPONSE: Vehicles registered and plated as passenger vehicle transportation (PVT) will require an annual emission and mechanical inspection at a PIF. This is not a new term, and the license plates for this category will still read "taxicab," "limousine," "ambulance," "mobility assistance vehicle," "hotel bus," "jitney," "paratransit" and "Omnibus 2," and be issued accordingly. The Commission does not have statutory authority to regulate "transportation

network vehicles.”

6. COMMENT: NJGCA strongly opposes the amendments to allow self-inspection for diesel vehicles with a GVWR over 8,500 pounds (down from 10,000 pounds); gas and bi-fueled MY 2007 or older with a GVWR 8,500 to 14,000 pounds; and gas and bi-fueled MY 2013 or older with a GVWR 14,000 pounds and greater. NJGCA states that although these vehicles are required to self-inspect for emissions and safety, in reality, vehicle owners simply ignore the laws and do not comply, which results in damage to air quality. NJGCA requests that the Commission eliminate self-inspection for diesel-fueled vehicles with a GVWR between 10,000 and 18,000 pounds.

RESPONSE: The Commission expanded the category of diesel-fueled vehicles that are required to self-inspect from vehicles with a GVWR over 10,000 pounds to vehicles with a GVWR over 8,500 pounds due to the fact there is no emissions test for these vehicles. Further, only commercially plated vehicles are required to get a mechanical inspection, which will no longer be performed at the central inspection facilities (CIF). There are no data to suggest that current diesel fueled vehicle owners who are required to self-inspect are not in compliance with current emissions and safety standards and that the expansion of that category will result in damage to air quality. Finally, the number of mechanical inspections for diesel fueled vehicles with a GVWR between 8,501 and 9,999 pounds is a very small number.

7. COMMENT: NJGCA supports the expansion of OBD testing for gas and bi-fueled vehicles MY 2008 and newer with a GVWR 8,501-14,000 pounds, gas and bi-fueled vehicles MY 2014 and newer with a GVWR over 14,000 pounds, and diesel vehicles MY 2014 and newer with a GVWR over 14,000 pounds. OBD testing is convenient for the motorist and the inspector, and the most effective form of emissions testing.

RESPONSE: The Commission appreciates and agrees with the favorable comment and thanks NJGCA for their support.

8. COMMENT: NJGCA supports the amendment that only allows a CIF to perform initial

emissions inspections but feels the amendment does not go far enough and that the Commission should abandon the current hybrid inspection system for a completely decentralized inspection system with all inspections performed at PIFs. NJGCA is of the opinion that a completely decentralized program would work in New Jersey with its current PIF network, benefit hundreds of small businesses, save the State \$40 million and allow the State to sell the property on which CIFs are located.

RESPONSE: After extensive study, cost modeling, consultant input and stakeholder input, the State determined that a hybrid inspection program would provide the best economies of scale for the State and the motoring public. Cost modeling determined that although a decentralized program may save the State \$40 million, that money would be transferred to the public as a cost to the public. Additionally, the Commission determined that there is not yet full public trust in a totally decentralized system and that the public prefers that the State maintain a hybrid program. Finally, there is no indication the State would be able to sell the CIF properties, as many of these properties are also used by the Commission for Motor Vehicle Agencies.

9. COMMENT: NJGCA opposes changes to the temporary authorization certificate rules at N.J.A.C. 13:20-7.4. NJGCA would like PIFs to inspect used vehicles that are less than five (5) model years old at the owner's request, and issue those vehicles an inspection sticker. NJGCA also maintains that Commission staff has informed the PIFs that it is illegal for a PIF to issue an inspection sticker to a vehicle less than five model years old.

RESPONSE: Passenger vehicles that are less than five model years old are exempt from inspections. Regulations require new cars purchased in another jurisdiction to go to a CIF to obtain a New Jersey inspection decal. Used motor vehicles that do not have a New Jersey inspection decal and are less than five model years old must also go to a CIF for an inspection decal. Requiring both new and used vehicles to go to a CIF for an initial inspection decal promotes consistency and allows for a dedicated, controlled inventory of decals. These vehicles are not inspected, but receive a decal that expires on the last day of the last month of the

vehicle's fifth model year. Only the CIFs have five-year inspection decals, while PIFs have only two-year inspection decals. If a used vehicle went to a PIF, it would receive a decal that would expire in two years when the vehicle may not be due for inspection for another three to five years, which would result in those vehicles having an expired inspection decal or obtaining an inspection while still statutorily exempt. The proposed amendments do not prohibit a PIF from performing a courtesy inspection, but since these vehicles are exempt from inspection, the PIF cannot provide the vehicle with an inspection sticker.

10. COMMENT: NJGCA supports the requirement that passenger vehicles, commercial vehicles, and passenger vehicle transportation must all receive an anti-tampering exhaust check. Any change that reduces fraud on the part of motorists, and that increases awareness of fraud by licensed inspectors is welcome.

RESPONSE: The Commission appreciates and agrees with the favorable comment and thanks NJGCA for their support.

11. COMMENT: NJGCA supports the requirement that a vehicle be inspected for multiple catalytic converters.

RESPONSE: The Commission appreciates and agrees with the favorable comment and thanks NJGCA for their support.

12. COMMENT: NJGCA supports listing specific examples of safety-related issues that would cause an inspection to be terminated and the vehicle to fail since a vehicle that is too unsafe to conduct an emissions inspection should not be on the road.

RESPONSE: The Commission appreciates and agrees with the favorable comment and thanks NJGCA for their support.

13. COMMENT: NJGCA supports the codification that replicas of collector vehicles are not actually collector vehicles and should not be treated as such by the laws of the State.

RESPONSE: The Commission appreciates and agrees with the favorable comment and thanks NJGCA for their support.

14. COMMENT: NJGCA comments that the requirement that emissions repairs be performed at a certified Emission Repair Facility (ERF) by a certified Emissions Repair Technician (ERT) or that the vehicle be self-repaired is being ignored. NJGCA comments that repairs are performed by unlicensed ERFs, following which the motorists bring the vehicles to a PIF to be re-inspected, and the PIFs are being asked to vouch for the repairs. NJGCA would like regulations to be adopted to allow a PIF to charge to certify repairs performed by an-unlicensed ERF before re-inspecting the repairs. NJGCA states that this will encourage all ERFs to become PIFs and all PIFs to become ERFs.

RESPONSE: The Commission's regulations do not require a PIF to vouch for repairs performed by another facility or the vehicle owner. If a vehicle that has been self-repaired is presented at a PIF for re-inspection, the PIF can charge one-half of the PIF's posted hourly labor rate for the re-inspection, plus the \$2.50 sticker fee. If the PIF makes the repair, then the PIF cannot charge for the re-inspection, but can charge for the repair and the \$2.50 sticker fee.

15. COMMENT: Cheryl Crick, with no stated affiliation, commented that the Commission should not cut tailpipe testing for the 200,000 older passenger vehicles because it is dangerous for all citizens, as these vehicles are the ones most likely to pollute the air.

RESPONSE: After detailed cost modeling and emissions reduction modeling, the Commission determined that given the diminishing size of the vehicle population requiring the TSI emissions test and the diminishing emissions benefit from testing these vehicles, as well as the high cost to test these vehicles, it is no longer cost effective to continue with TSI testing over the next six years in the next inspection/maintenance (I/M) program. Cost modeling determined that TSI testing versus OBD-only testing would increase the cost by \$3 to \$5 per inspection. The State performs approximately 2,400,000 inspections per year; thus, this would increase the cost of the next I/M program by a minimum of \$7.2 million per year. As of December 2015, only approximately 9 percent of 1995 and older passenger vehicles failed a TSI test, further indicating the cost of TSI testing adds negligible emissions benefits. In most cases, older

passenger vehicles are properly functioning and do not significantly contribute to air pollution.

Summary of Agency-Initiated Changes:

The Commission made several edits to weight descriptions to keep the weight descriptions consistent throughout the regulations. In N.J.A.C. 13:20-7.2 (b) (2), the Commission substituted GVWR of 8,500 or less for GVWR of less than 8,500.

In N.J.A.C. 13:20-26.2, under the definition of "Diesel-powered motor vehicle," the Commission substituted 8,501 pounds gross vehicle weight rating or more, for 8,500 pounds gross vehicle weight rating or more. The definition of "Vehicle" is also changed, substituting GVWR of 8,501 pounds or more for GVWR of 8,500 pounds or more.

In N.J.A.C. 13:20-44.3 (c) the Commission substituted GVWR of 8,500 pounds or less and 18,000 pounds or more for GVWR of less than 8,501 pounds or greater than 17,999 pounds. The wording in N.J.A.C.13:20-44(h) (1) was also revised, to add heavy-duty gasoline-fueled vehicles and diesel fueled trucks having a GVWR of 18,000 pounds or more. This change clarifies and makes consistent the wording of paragraphs 1 and 2, since PIFs and PIFs with a fleet endorsement have always been allowed to inspect the same classes of vehicles. N.J.A.C.13:20-44.3(h) (2) is also being revised, from GVWR of less than 8,501 pounds to 8,500 pounds or less.

These changes are technical in nature and do not enlarge or curtail the scope of the rules, or what will be affected by the rules, or change what is mandated by the rules.

Federal Standards Statement

The proposed amendments and new rules that deal with self-inspections, collector vehicles and the inspection of buses' emergency exit doors do not exceed the Federal standard since State's overall safety and inspection standards do not exceed Federal safety and inspections standards.

The Enhanced Motor Vehicle Inspection and Maintenance Program implements the Federal Clean Air Act, Chapter 85 Air Pollution Prevention and Control (42 U.S.C. §§ 7401 et seq.) by establishing an enhanced motor vehicle inspection and maintenance program for New Jersey. Federal law establishes standards for the reduction of specific mobile source pollutants that a geographic area must achieve through a State's enhanced motor vehicle inspection and maintenance program. The State will be able to satisfy all applicable United States Environmental Protection Agency (USEPA) performance standards set forth in the Clean Air Act with the inspection program as proposed in this rulemaking, which provides for an OBD-only emissions testing environment with a visual gas cap check. Therefore, the proposed amendments, repeals, and new rules do not exceed Federal USEPA Performance standards.

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

SUBCHAPTER 7. VEHICLE INSPECTION

13:20-7.2 Inspection of motor vehicles; test frequency; exempt vehicles

(a) (No change.)

(b) Notwithstanding (a) above, the following motor vehicles subject to inspection pursuant to N.J.S.A. 39:8-1 shall be inspected on an annual basis:

1. (No change.)

2. Diesel-fueled motor vehicles having a GVWR of ***[less than]*** 8,500 pounds ***or less***

that are registered as commercial vehicles;

3. - 4. (No change from proposal.)

5. (No change in text.)

SUBCHAPTER 26. COMPLIANCE WITH DIESEL EMISSION STANDARDS AND EQUIPMENT, PERIODIC INSPECTION PROGRAM FOR DIESEL EMISSIONS, AND SELF-INSPECTION OF CERTAIN CLASSES OF MOTOR VEHICLES

13:20-26.2 Definitions

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

...

"Diesel-powered motor vehicle" means any diesel-powered motor vehicle that is self-propelled by a compression ignition type of internal combustion engine using diesel fuel and that:

1. (No change.)
2. Is 8,50*[0]**1* pounds gross vehicle weight rating or more;
- 3.- 4. (No change.)

...

"Vehicle" means every trailer, semitrailer, pole trailer, truck having a GVWR of 8,50*[0]**1* pounds or more, truck tractor as defined in N.J.S.A. 39:1-1 and every vehicle registered in this State engaged in interstate commerce that is now or hereafter subject to regulation and license by the Interstate Commerce Commission or its successor agency and/or the United States Department of Transportation, Federal Motor Carrier Safety Administration.

13:20-44.3 Scope; license required; vehicle classes; inspection services; license classes

(a) – (b) (No change.)

(c) Private inspection facilities shall be licensed to engage in the inspection, re-inspection, and certification of light-duty gasoline-fueled vehicles, light-duty gasoline-fueled trucks, heavy-duty gasoline-fueled vehicles, bi-fueled motor vehicles, diesel-fueled automobiles, diesel-fueled trucks having a GVWR of *[less than]* 8,50*[1]**0* pounds or ***less and* ***[greater than 17,999]* ***18,000*** pounds ***or more*** and passenger vehicle transportation; provided, however,

private inspection facilities shall not inspect school buses, buses which are subject to inspection by the Motor Vehicle Commission's Inspection Services Bus Unit, or motor vehicles with elevated chassis height that are subject to inspection in accordance with N.J.A.C. 13:20-37.

(d) – (f) (No change from proposal.)

(g) (No change in text.)

(h) Private inspection facilities must have Department of Environmental Protection-approved emission equipment to perform a specific test set forth at N.J.A.C. 7:27B-4 and 7:27-15.5.

1. A license shall be issued to private inspection facilities to engage in the inspection and certification of OBD-equipped and OBD-eligible light-duty gasoline-fueled vehicles; light-duty gasoline-fueled trucks; ***heavy-duty gasoline fueled vehicles;*** bi-fueled motor vehicles; diesel-fueled automobiles; diesel-fueled trucks having a GVWR of 8,500 pounds or less; ***diesel-fueled trucks having a GVWR of 18,000 pounds or more;*** and passenger vehicle transportation.

2. A private inspection facility with a fleet license shall be issued to owners or lessees of fleets of 10 or more light-duty gasoline-fueled vehicles; light-duty gasoline-fueled trucks; heavy-duty gasoline-fueled vehicles; bi-fueled motor vehicles; diesel-fueled automobiles; diesel-fueled trucks having a GVWR of ***[less than]* 8,500*[1]**0*** pounds ***or less***; diesel-fueled trucks having a GVWR of 18,000 pounds or more; and passenger vehicle transportation to engage in the inspection and certification of such motor vehicles.

Approval: Minutes of February 11, 2016

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 11, 2016 Minutes were delivered on February 11, 2016 to the Governor, and became effective upon expiration of the ten day period on February 26, 2016.

ACTION

Approval of this item by the Board Members indicates acceptance of the February 11, 2016 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 11, 2016 were delivered without delay to the Governor on February 11, 2016; 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 11, 2016 Board Meeting are effective as of February 26, 2016; and

NOW, THEREFORE, BE IT RESOLVED that the Minutes of actions taken at the February 11, 2016 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 11, 2016.

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)
Miriam Weeks, Transportation Commissioner Designee
Gary Poedubicky, Attorney General Designee
James Fruscione, State Treasurer Designee (by speakerphone)

Governor's Authorities Unit Assistant Counsel Lisa LeBoeuf 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 Weeks seconded the motion and it was unanimously adopted.

Chairman's Report

The Chairman then presented this report of key Commission activities since the December 22, 2015 Board Meeting:

Ambitious 2016

Good afternoon, everyone. It's my pleasure to greet you formally for the first time in 2016. I hope you all enjoyed the holidays and I want to wish you a happy and healthy year ahead. I see a theme forming in my address to the Board today – public awareness.

JUSTDRIVE.COM

2015 was momentous for the MVC's efforts to help put an end to texting and talking behind the wheel. Exactly one year ago today, I stood alongside the Lt. Governor at the Randolph Motor Vehicle Agency to announce our JustDrive.com campaign.

I am pleased to advise you that there has been a 28 percent reduction of violations issued for this dangerous behavior. We have strong evidence to support that it is this public awareness campaign – as well as a growing social stigma, and the increased penalties – that is leading to safer roads in New Jersey.

Through traditional advertising, social media engagement, private and public partnerships, as well as the concerned efforts of our lawmakers, we have made incredible strides. But our mission is far from over. We will continue to spread the message throughout 2016 to our citizens. Don't talk. Don't text. Just Drive.

GO RED FOR WOMEN

And as we continue our public awareness efforts, each February the MVC employees take part in the Go Red for Women campaign. Last month, the MVC was honored by the American Heart Association for its 2015 fundraising efforts, having collected \$2500 for the organization. We are hopeful that once all the figures from the TOC and our field sites have been totaled, this year's fundraising will exceed that amount. I would like to recognize and thank our employees for their dedication to this important cause.

EMISSIONS RFP

Our existing vendor contract with the company who runs our daily vehicle inspection operations is set to expire in May 2016. Back at the end of December, the Division of Purchase and Property advertised a Request for Proposal to enhance our vehicle inspection/maintenance program. This is a part of our continued efforts to meet customer service needs AND align our organization with improving – and cost-saving – technology.

The changes in this contract will:

- 1) Eliminate mandated tailpipe emissions testing, but will maintain On-Board Diagnostics Testing (OBD)
- 2) Passenger vehicles model year prior to 1996 – and a handful of other vehicles – will be exempted from the vehicle inspection program
- 3) All vehicle re-inspections, as well as commercial and PVT vehicles will be directed to visit a Private Inspection Facility (PIF) for services
- 4) Mechanical inspections of any vehicle will no longer be conducted at a State centralized facility.

Now, although these changes won't take effect until AFTER the contract is awarded this summer, we are committed to notifying all of our stakeholders and customers in full detail prior to full implementation.

PIVS (Public Information Video System) AND QUEUES

Also, here's another measure to keep our citizens informed. Last month three of our agencies were equipped with a video monitor and queuing system. This customer service initiative will help alleviate confusion, streamline the transaction process, as well as provide beneficial information to our customers while they wait. A pilot was launched yesterday at our Rahway Agency, and will be expanded in the very near future to our Bakers Basin and Edison agencies.

SIGNATURE PADS

Another technological advancement in our agencies is the addition of a new signature pad system that will streamline the voter registration process. Now visitors will have the opportunity to register to vote at their fingertips while conducting their motor vehicle transactions. Currently, five (5) of our agencies are up and running - Freehold; Salem, Baker's Basin, Hazlet and Eatontown - and we will continue the rollout over the next few weeks. We hope that by mid-March every agency will be equipped with this customer-facing technology. This is just another shining example of how we can use our resources to make processes easier for our citizens.

ONLINE TRANSACTION CAMPAIGN

And with these new changes coming to our agencies, we are taking this opportunity to remind our customers that the MVC offers 20+ services right at their fingertips. The "Go Online, Stay Out of Line" campaign will direct folks to our website where we have conveniently listed all of the available online transactions on one simple page. This will hopefully help keep our wait times down as our agency staff gets acclimated with the new transaction processes.

PERSONNEL CHANGES

Last week, Selika Gore, our Deputy Administrator for Operations, left the MVC to accept a position as a Director of Field Operations with the Federal Motor Carrier Safety Administration. I am grateful for all of Selika's hard work and dedication and wish her well in her new position. We have divided the former Operations area into two separate areas: Business and Compliance, and Agency Services. I am pleased to announce that Donna Pennabere, formerly the Director of the Division of Compliance and Safety has been elevated to the position of Deputy Administrator of Business and Compliance. To expand on that, I am pleased to advise that Greg Focarino, formerly a Coordinator at our Wayne Agency, has been elevated to the position of Director of the Division of Compliance and Safety. Also, I am pleased to announce that Bob Grill, formerly the Director of the Division of Agency Services, has been elevated to the position of Deputy Administrator of Agency Services. Lastly, I am pleased to announce that Mairin Bellack, formerly the Deputy Director of our Communications Office has been elevated to the position of Director of Communications. Please join me in congratulating them.

SECURITY

Our Security and IT offices continue, through our facial recognition software and other means, to catch people committing criminal fraud against MVC and others in our State. I am taking this moment to advise you of these critically important ongoing activities.

The following Agenda Items were presented for approval:

Minutes: October 13, 2015. 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 October 13, 2015.

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

Minutes: December 22, 2015. 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 22, 2015.

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

1602-01: 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, 2017. 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.

1602-02: 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 Poedubicky seconded it and it was unanimously adopted.

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

1602-03: Identity 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 Rule amending the regulations concerning the Licensing Service – Proof of Identity regulation. Jeff Pistol of the Office of Regulatory and Legislative Affairs presented the Proposed Rule.

Director Weeks moved the resolution, Board Member Asante 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-1455 (Diegnan D18) / **S-2011** (Madden D4)

Requires that newly-manufactured school buses be equipped with sensors.

Effective Date: This act was signed on January 19, 2016, and shall take effect July 18, 2016.
Chapter Law: P.L.2015, c.266

MVC Impact: MVC has to provide consultation to the State Board of Education for their regulations. Inspections will check to ensure buses have sensors. The following Divisions will be impacted: Legal and Inspection Services.

A-1466 (Diegnan D18)

Allows for waiver of school bus requirements for mobility assistance vehicle technicians who transport students with medical needs to and from school.

Effective Date: This act was signed on January 19, 2016, and shall take effect immediately.

Chapter Law: P.L. 2015, c.268

MVC Impact: This new law allows any board of education, governing body of a nonpublic school, or State agency to waive school bus operating requirements (including registration, equipment, inspection and maintenance) for any person certified as a mobility assistance vehicle technician (MAVT) who transports a student with medical needs to and from school. The following Divisions will be impacted: Inspection Services, Compliance and Safety, Customer Info and Advocacy, Legal, IT and Financial Management.

A-3276 (Whelan D2/ Mazzeo D2)

"Mainland Memoriam Act"; directs MVC to create graduated driver's license informational material to be distributed by motor vehicle dealers.

Effective Date: This act was signed on January 19, 2016, and shall take effect on August 1, 2016.

Chapter Law: P.L. 2015, c.286

MVC Impact: The Commission has already created sufficient written materials on the GDL requirements, which are readily available for dealers who need them. The following Divisions will be impacted: Procurement and Communications.

A-3395 (Wisniewski D19) / **S-2294** (Sacco D32)

Allows insurer to obtain certificates of ownership or salvage certificates of title for motor vehicles under certain circumstances.

Effective Date: This act was signed on January 14, 2016, and shall take effect August 1, 2016.

Chapter Law: P.L.2015, c.208

MVC Impact: MVC will determine whether the issuance of a certificate ownership or salvage title is appropriate or not. Upon proper application, MVC shall issue a salvage certificate of title or a junk title certificate in the name of the salvage processor, which shall extinguish any existing liens against the motor vehicle. The following Divisions will be impacted: Titling Unit, Agency Services.

A-3927 (Andrzejczak D1) / **S-2820** (Van Drew D1)

Requires drivers to slow down before passing slow moving vehicles; establishes Statewide educational campaign on rural roadway safety; updates agriculture-related motor vehicle laws to reflect current industry practices.

Effective Date: This act was signed on January 19, 2016, and shall take effect on January 1, 2017.

Chapter Law: P.L. 2015, c.292

MVC Impact: The MVC has to establish and implement a slow-moving vehicle emblem system. Changes need to be made to rules/regulations regarding the expansion of vehicles that can be registered as a farm vehicle, the times of day that these vehicles can be operated, and the distance and speed that they can travel. MVC has to adopt rules/regulations for the registration of self-propelled sprayers. Additionally, the Commission has to work with the Division of Highway Traffic Safety to create a statewide educational campaign to promote roadway safety in rural areas. The following Divisions will be impacted: Agency Services, Procurement, IT, Legal, Financial Management, Communications, Compliance and Safety and Customer Information and Advocacy.

A-4323 (DeAngelo D14)

Expands timeframe for renewal of driver's license, registration, and inspection by military personnel and immediate family members under certain circumstances.

Effective Date: This act was signed on January 19, 2016, and shall take effect immediately.

Chapter Law: P.L. 2015, c.299

MVC Impact: MVC will allow an active duty member of any branch of the Armed Forces, and any person in the member's immediate family, to renew a driver's license, non-driver ID, or registration certificate, and have their vehicle inspected during the six months before the member's scheduled date of deployment out of state. Driver's licenses and non-driver IDs for these individuals will also be valid up to 90 days after the member returns from duty. The following Divisions will be impacted: Agency Services, IT and Customer Information and Advocacy.

A-4387 (Coughlin D19) / **S-3016** (Vitale 19)

Requires MVC to allow submission of "Next-of-Kin Registry" information by mail.

Effective Date: This act was signed on January 19, 2016, and shall take effect on April 1, 2016.

Chapter Law: P.L. 2015, c.301

MVC Impact: MVC will allow individuals to submit or update Next-of-Kin emergency contacts either on the Commission's website or by mail. The Commission will provide paper applications at local agencies or through mailings. The following Divisions will be impacted: Agency Services, Agency Support Services, Communications and IT.

A-4719 (Moriarty D4) / **S-3250** (Cruz-Perez D5)

Extends use of stored driver's license picture for person undergoing chemotherapy or other treatment for certain medical illnesses.

Effective Date: This act was signed on January 19, 2016, and shall take effect immediately.

Chapter Law: P.L. 2015, c.306

MVC Impact: MVC will extend a stored driver's license photo for customers who can prove they are going through medical treatment that causes temporary physical changes. The following Divisions will be impacted: Agency Services, IT, Financial Management, Legal; little to no impact to Procurement and Management Operation Services.

S-2695 (Dancer R12 / Benson D14 / Kean R21 / Sacco D32)

Requires MVC conduct study and make recommendations concerning electronic driver's licenses and mobile applications.

Effective Date: This act was signed on January 19, 2016, and shall take effect immediately.

Chapter Law: P.L. 2015, c.239

MVC Impact: The Commission has to prepare and submit a report with recommendations on the feasibility of electronic driver's licenses, including the production of a mobile application, the way information is stored, and the fiscal impact. The Performance Management Office will be spearheading the Study.

Chairman Martinez thanked Laura for the presentation.

Public Comments:

Elizabeth Trinidad of Bridgeton NJ is an attorney as well as a member of the New Jersey Chapter of the American Immigration Lawyers Association. She stated that she intends to offer comments during the Public Comment period later this year on the proposed amendments to the Proof of Identity regulations on the agenda at today's MVC Board Meeting. Ms. Trinidad referenced work authorization cards, low income citizens, and economic impact on businesses.

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 Asante and seconded by Director Fruscione and unanimously adopted at 3:00 p.m.



New Jersey Motor Vehicle Commission

P.O. Box 160
Trenton, New Jersey 08666-0160

STATE OF NEW JERSEY

To: Raymond P. Martinez, Chairman
CC: MVC Board Members
From: Laura Hahn, Legislative Liaison
Date: April 26, 2016
Re: Legislative Report

Chris Christie
Governor

Kim Guadagno
Lt. Governor

Raymond P. Martinez
Chairman and Chief Administrator

This Legislative Report provides a summary of legislative activity since the February 2016 Motor Vehicle Commission (MVC) Board meeting.

A-374 (Auth R39, Prieto D32, Schepisi R39)

Prohibits MVC from imposing duplicate license or identification card fee and digitized picture fee if duplicate is requested to reflect change in organ donor status.

The Commission takes no position officially on this bill; however, staff has expressed concerns to Governor's Counsel Office regarding the financial impact and the precedents that would potentially be created.

02/08/16: Bill was released from the Assembly Transportation and Independent Authorities Committee.

02/18/16: A-374 was passed by the Assembly unanimously.

S-737 (Beach D6)

Permits installation of GPS navigation devices which do not obstruct a motor vehicle operator's vision.

The Commission has no objection, as MVC's amendments in previous years have been incorporated and Administrative Code already permits a vehicle to be equipped with a GPS, provided that it does not obstruct the view of the driver.

02/29/16: Bill was released from the Senate Transportation Committee.

03/14/16: S-737 was passed by the Senate unanimously.

A-846 (Quijano D20, Wisniewski D19, Jimenez D32)

Allows a person with an allergy to drugs or medications to voluntarily make a notation on his/her driver's license.

The Commission opposes this bill. This initiative is not consistent with the Commission's core mission and could open the door to additional functions that should not be MVC responsibilities. It's not clear why identification of driver's allergy condition needs to be provided by MVC when there are already mechanisms in place to communicate with medical responders, such as necklaces, bracelets and tags.

02/08/16: Bill was released from the Assembly Transportation and Independent Authorities Committee.

02/18/16: A-846 was passed by the Assembly unanimously.

A-2107 (Mukherji D33)

Exempts the homeless from a fee for a non-driver identification card.

The Commission has expressed concerns to the Governor's Office and the bill sponsor, and asked for amendments to this legislation. As currently drafted, the bill does not specify whether the Six Point verification would be needed to obtain the non-driver identification card. Additionally, waiving the fee based on individualized economic circumstances would create a precedent that could have negative fiscal repercussions on the Commission. The amendments change the language from requiring the Chief to waive the fee to permitting him to waive the fee, add a section for the MVC to promulgate rules or regulations, and extend the effective date to provide enough time for implementation.

03/07/16: Bill was released from the Assembly Human Services Committee.

04/04/16: Bill was released from the Assembly Appropriations Committee.

04/07/16: A-2107 was passed unanimously by the Assembly without MVC amendments.

A-2324 (Vainieri Huttel D37, Mukherji D33, Holley D20)

Authorizes special "We Support the Arts" license plates with proceeds to the New Jersey State Council on the Arts.

The Commission has expressed concerns to Governor's Counsel's Office and is working on amendments.

02/22/16: Bill was released from the Assembly Tourism and Gaming committee and is now on second reading in the Assembly.

A-2789 (Greenwald D6, Burzichelli D3, DeAngelo D14, Mukherji D33)**Allows the use of a rear view backup camera and parking sensors during road test.**

The Commission opposes this bill. The law states that the purpose of the test is to ensure that drivers have the ability to operate a vehicle of the class designated safely with no technological assistance. Allowing this technology to aid drivers during the test offers a false sense of security. Not every vehicle is equipped with a backup camera or parking sensors, and the vehicles that do contain the technology have the potential to malfunction. In those instances, the driver may not have the skill-set to control vehicles that are not equipped with these technologies and this could be dangerous to themselves, other drivers or pedestrians. Furthermore, driver re-exams are used to evaluate the impact of physical limitations due to stroke or other medical conditions. Allowing technological assistance would negate the purpose of this test and potentially put the driver, as well as others on the road, at risk. With approval from the Governor's Office, staff sent a letter to the sponsors, expressing these concerns.

02/22/16: Bill was released from the Assembly Law and Public Safety Committee.

03/14/16: A-2789 was passed by the Assembly (71-4-0) without MVC amendments.

S-1155 (Barnes D18)**Regulates autocycles as motorcycles.**

This bill defines autocycles as a three-wheeled motorcycle designed to be controlled with a steering wheel and pedals in which the operator and passenger may ride in a completely or partially enclosed seating area that is equipped with a roll cage or roll hoops, safety seat belts for each occupant, and anti-lock brakes. The Commission reached out to the Governor's Office to seek amendment. Per Governor's Office approval, the MVC reached out to the sponsors, requesting an amendment to extend the effective date to one year in order to create new regulations and amend existing ones, as well as allow for IT changes. The legislative offices said they will allow the bill to move forward; however, the Senator and Assemblyman will review the MVC's request and make any amendments when the legislation is scheduled for the Asm. Transportation Committee.

02/29/16: Bill was released from the Senate Transportation Committee.

03/14/16: S-1155 was passed by the Senate unanimously.

S-1403 (Weinberg D37, Whelan D2)**Requires the Secretary of State to establish a secure Internet website for online voter registration and authorizes the use of digitized signatures from the New Jersey Motor Vehicle Commission's database.**

The Commission defers to the Secretary of State (Division of Elections), but has asked the Governor's Office about extending the effective date to one year, in order to allow enough time for IT changes and to work with the Secretary of State's Office.

03/14/16: Bill was released from the Senate State Government, Wagering, Tourism, and Historic Preservation Committee.

S-1585 (Rice D28)

Establishes a program allowing certain applicants to perform community service in lieu of paying motor vehicle surcharges.

The "Motor Vehicle Surcharge Community Service Program," would be established in and administered by the Department of Labor and Workforce Development. S-1585 directs the Commissioner to coordinate with the Chief Administrator of the Motor Vehicle Commission to waive certain motor vehicle surcharges imposed on applicants who complete a community service project in participating counties and municipalities. The Commission opposes this bill as it would allow participants to forego paying surcharges, whether they owe \$200 or over \$20,000. Financial Management estimates that MVC would potentially lose \$2,600,000 in revenue in the first year and \$5,200,000 in subsequent years. System changes would have to occur to allow Labor to interface with MVC, in addition to reprogramming Driver History and STARS. It is also unclear whether this bill affects restoration fees.

03/10/16: Bill was released from the Senate Law and Public Safety Committee with amendments, clarifying that an applicant who completes a community service project is required to receive a certification from the commissioner.