

TITLE 13. LAW AND PUBLIC SAFETY  
CHAPTER 21. LICENSING SERVICE  
SUBCHAPTER 15. NEW JERSEY LICENSED MOTOR VEHICLE DEALERS AND LEASING DEALERS

N.J.A.C. 13:21-15.1 (2017)

§ 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 for the employer.

"Licensee," "licensed dealer," or "person" 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.

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§ 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) An initial applicant, if a natural person, shall undergo a criminal background check by submitting his or her fingerprints in the manner prescribed in the application.

1. An applicant for renewal who first received a license pursuant to this subchapter prior to June 1, 2002 shall submit his or her fingerprints in the manner prescribed in the application with the first renewal application submitted after March 6, 2006.

(c) The initial applicant, if a business entity other than a natural person, shall undergo a criminal background check by submitting the fingerprints in the manner prescribed in the application of each officer, director, controlling person or partner.

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1. An applicant for renewal, if a business entity that first received a license pursuant to this subchapter prior to June 1, 2002 other than a natural person, shall submit the fingerprints of each officer, director, or controlling person or partner in the manner prescribed in the application with the first renewal application submitted after March 6, 2006.

(d) The applicant for an initial license, or at least one officer, director, or controlling person, if the applicant is other than a natural person, shall attend a prelicensure interview as scheduled by the Commission, at which time the applicant will be examined as to his or her knowledge of the lawful conduct of the business of buying, selling, or dealing in motor vehicles in New Jersey; in the event that the applicant cannot demonstrate adequate knowledge thereof, the Commission may require the applicant to attend a training program.

(e) At the time of initial application, the applicant shall submit a copy of the Federal notice of his or her tax identification number and his or her New Jersey sales tax certificate of authority.

(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 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.

(g) All applicants shall disclose whether or not they intend to trade or to do business under a name other than the name in which the application is filed. Subsequent to licensing, a dealer shall be required to report to the Commission any additional business name or changes in existing names under which the dealer intends to do business.

(h) Photographs and/or plans that clearly depict the complete premises, including proposed signage, from which premises a dealer intends to do business shall be submitted with the initial application for a dealer license along with proof that the premises comply with all zoning, planning, use and environmental laws, rules and ordinances and that all activities permitted by the license will be permitted therein. In no event will an application for a license be approved until the premises are suitable for use as a dealership at the time of the initial compliance inspection by the Commission.

(i) The applicant shall submit a true copy of the deed to the premises in the name of the applicant or, if the applicant does not own the premises, a contract for purchase of the premises enforceable by the applicant or a lease or an enforceable contract to lease the premises for a term of at least one year in favor of the applicant.

(j) Unless the business hours of the applicant will be no fewer than 48 hours per week between the hours of 9:00 A.M. and 5:00 P.M. Monday through Saturday, the applicant shall submit with his or her initial application a schedule of business hours, of which no fewer than 20 hours per week shall occur between the hours of 9:00 A.M. and 5:00 P.M. Monday through Saturday.

(k) The applicant shall submit current color passport-type photographs of the applicant, if an individual, or of all partners, members, officers, directors, or shareholders with controlling interests, if a partnership, limited liability company, or corporation, respectively, and of all authorized signatories whose names are submitted pursuant to (f) above.

(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 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.

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(m) 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 any motor vehicle franchisor, as defined in N.J.S.A. 56:10-

26. This requirement shall not apply to vehicles or franchisors specifically exempt from *N.J.S.A. 56:10-26* through 31.

1. An applicant for renewal shall submit a copy of the applicant's franchise agreement(s) with any motor vehicle franchisor, as defined in N.J.S.A. 56:10-26. This requirement shall not apply to vehicles or franchisors specifically exempt from *N.J.S.A. 56:10-26* through 31.

(n) Misrepresentation of any facts or failure to fulfill any of the commitments made in the license application, including, but not limited to, commitments concerning the establishment of a place of business, shall be grounds for denial, suspension, or revocation of the license.

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§ 13:21-15.3 Proper person

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

1. Be at least 18 years of age and have legal capacity to contract, to be sued and to be liable for all debts;

2. Be of sufficient good character, in the Chief Administrator's discretion, to warrant consideration as a proper person to be licensed as a dealer. To assist the Chief Administrator in making this determination, he or she may consider an applicant's financial responsibility, as well as whether or not the applicant has been involved in any illegal activities prior to applying for a license;

3. Not have been convicted of a crime arising out of fraud or misrepresentation; and

4. Be a motor vehicle franchisee under N.J.S.A. 56:10-26.d, 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) The Commission will request the New Jersey Division of State Police to place a State Bureau of Investigation Number flag pursuant to *N.J.A.C. 13:59* on the fingerprint record of each person required to undergo a criminal background check pursuant to *N.J.A.C. 13:21-15.2*.

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§ 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, 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.

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1. All licensees selling new motor vehicles shall maintain a permanent, properly identified location of not less than a total of 1,000 square feet, on one or more than one floor, within a permanent, enclosed building and where there are included or immediately contiguous, clearly identified, fixed facilities to display at least two automobiles and equipment to service motor vehicles as required by N.J.S.A. 39:10-19.

2. All licensees selling used motor vehicles exclusively shall maintain a permanent, properly identified location with a minimum office space of 72 square feet within a permanent, enclosed building and where there are included or immediately contiguous, clearly identified, fixed facilities to display at least two automobiles.

3. Failure to comply with all requirements of this section at a follow-up compliance inspection (to be held any time after 90 days after licensing) will result in revocation of the license.

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.

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) The established place of business shall display an exterior sign permanently affixed to the land or building, which sign is consistent with local ordinances and has letters easily readable from the major avenues of traffic. Said sign must reflect the dealer name or trade name, providing such trade name has been previously disclosed to the Commission.

(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 licensee's premises in an area readily accessible to the public.

1. If the licensee was not required to submit a schedule of business hours pursuant to *N.J.A.C. 13:21-15.2(j)*, no schedule need be posted.

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, for purposes of this section.

(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:

1. Are not completely separated by exterior walls or a firewall conforming to Section 706 of the 2009 International Building Code, New Jersey Edition requirements, as adopted by the New Jersey Department of Community Affairs as the Uniform Construction Code pursuant to *N.J.A.C. 5:23-3.14*. Applicants and licensees shall submit proof of compliance with the firewall requirement certified by a New Jersey-licensed engineer, New Jersey-licensed architect, or municipal code official.

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i. For a proposed place of business located in a building housing more than one business, within which there was at least one licensed dealer and one other business prior to March 6, 2006, and where there is a fire suppression system approved by a local building code official or the New Jersey Department of Community Affairs, walls must be either exterior walls or standard walls constructed separately from any other wall. A proposed place of business meeting this criteria must also be certified to meet the requirements stated in this section by a New Jersey-licensed engineer, New Jersey-licensed architect, or municipal code official.

ii. For the purposes of this subsection, a standard wall shall be a typical wall section at least eight feet in height, consisting of 2" X 4" wood or metal studs with one layer of 5/8 inch gypsum wall board on each side.

iii. A proposed place of business located in new construction or in an addition over, or in an addition extending beyond the existing perimeter of, a building subject to this subsection shall meet the firewall requirement of this subsection.

2. Do not have separate entrances;

3. Do not have separate, fixed, clearly identified display facilities;

4. Do not have separate mailboxes; and

5. Do not have separate, fixed-location (that is, not mobile or cellular) telephone systems.

(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 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 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.

1. In the event that a dealership maintains branches or a licensee operates multiple licensed dealerships under common ownership or control (a dealership group), and that 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 a dealership or at a centralized recordkeeping facility.

(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 licensee and authorized signatories for the storage of controlled Commission documents.

(j) In the event that the site of the proposed place of business is not owned by the dealer, it must be subject to a lease in favor of the dealer for a minimum term expiring no earlier than April 1 of the year for which licensure is sought.

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§ 13:21-15.5 Grounds for rejection, suspension, or revocation of a dealer license; fines; 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. The applicant or licensee is not a proper person as defined in *N.J.A.C. 13:21-15.3*;
2. The applicant has made a willful misrepresentation or omission in an application for a dealer license or renewal thereof under the provisions of this subchapter;
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. One or more of the partners, officers, directors, other controlling persons, or employees of the applicant previously held a license issued under the authority of the Commission, which license was revoked for cause and never reissued or was suspended for cause and terms of suspension have not been satisfied, or have willfully violated a cease and desist order issued by the Chief Administrator;
5. The licensee has willfully failed to comply with the requirements of *N.J.S.A. 39:10-19* through 25 and the rules promulgated thereunder;
6. The applicant or licensee seeks or has obtained a dealer license for the benefit of one who is not a proper person within the meaning of this subchapter;
7. The applicant or licensee knew or should have known that any employee, partner, officer, director, owner of a controlling interest, or agent of the applicant or licensee is an individual who has been convicted of a crime arising out of fraud or misrepresentation or previously held a license issued by the Chief Administrator or the Commission, which license was suspended or revoked for cause and not reissued;
8. The licensee fails to comply with the requirements of existing law governing the standards for used motor vehicles. (*N.J.S.A. 39:10-26* through *39:10-30*);
9. It is found by an administrative determination of the Commission that the subject applicant or licensee has engaged in the unlawful act of altering the true reading of an odometer (the mileage recording instrument of a motor vehicle). Evidence that such alteration was made while the vehicle was in the possession of the applicant or licensee shall be prima facie proof that such alteration was performed by the applicant or licensee or with his or her consent;
10. It is found by an administrative determination of the Commission that the subject applicant or licensee has engaged in the unlawful act of altering a vehicle identification number (VIN). Evidence that such alteration was made while the vehicle was in the possession of the applicant or licensee shall be prima facie proof that such alteration was performed by the applicant or licensee or with the applicant's or licensee's consent;
11. A person engages in activities regulated hereunder for which he or she does not hold the required license;
12. The licensee has failed to maintain any of the qualifications for a license set forth in this subchapter or otherwise set forth by law, including, but not limited to, failure to maintain an established place of business as set forth in *N.J.A.C. 13:21-15.4*.
13. The licensee employs call forwarding, telephone answering services and/or mail forwarding services during scheduled business hours or otherwise sells, buys or deals in motor vehicles from a remote or otherwise unlicensed location;

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14. The licensee engaged in selling, displaying for sale or lease, or dealing in motor vehicles at a location other than that at which the licensed business is permanently established. The assertion by the licensee as a defense in any action that he or she has conducted sales activity at other than the premises where the business is permanently established shall constitute conclusive proof of that fact;

15. The licensee has conducted negotiations or sales activity in other than a licensed location over the internet or otherwise;

16. The licensee has failed to satisfy a valid, collectible judgment within 90 days of its entry against him or her;

17. The licensee has issued a check that was subsequently dishonored for insufficient funds or other reason caused by or within the control of the licensee; or

18. The licensee has violated any of the rules set forth in this subchapter.

(b) Upon suspension, revocation, or denial of renewal of a license, or upon voluntary relinquishment of the license or dissolution of the dealership, the licensee shall forthwith return all Commission property, including, but not limited to, the dealer license, dealer plates, dealer reassignments, and temporary registrations, and shall account for all those not returned without refund for unused stock; failure to do so may result in suspension or revocation of the privilege to reapply for any business license within the jurisdiction of the Commission.

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§ 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 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 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 leasing dealer shall retain title papers of a vehicle sold at the termination of a lease for a period of more than 48 hours.

(d) The license of a 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 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 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.

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§ 13:21-15.7 Responsibilities of licensee

(a) All documents, including, but not limited to, title papers, reassignments, temporary registrations, and applications for registration and applications for licensure, shall be executed in the name of the dealer only by the dealer or leasing dealer or an authorized signatory.

(b) The dealer shall be responsible for the disposition of all reassignments in his or her possession.

1. All dealer reassignments shall be filled out completely, including the name and license number of the dealer, with carbon copies made contemporaneously and not separately and retained for three years.

2. All dealer reassignments shall be accounted for upon request of the Commission.

3. All lost or stolen reassignments shall be promptly reported to the Commission and to the local police; failure to do shall be conclusive evidence of improper disposition thereof.

(c) The dealer, all partners, officers, directors and/or holders of controlling interests shall be individually responsible for the conduct of all business at the dealership and for compliance with all the requirements of the statutes and rules governing the business of buying, selling or dealing in motor vehicles.

(d) In the event that any information required to be submitted to the Commission in an application should change, the applicant or licensee shall notify the Commission of the change within 10 days thereof.

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

(a) Prior to entering into any agreement for the retail sale of a used passenger motor vehicle, a motor vehicle dealer licensed pursuant to *N.J.S.A. 39:10-19* shall give written notice to the purchaser of a used passenger motor vehicle to be registered in this State of the dealer's responsibilities under *N.J.S.A. 39:10-26* through *39:10-30*, inclusive.

(b) 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*, the motor vehicle dealer shall inform the purchaser that the used passenger motor vehicle must be presented for inspection at 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*.

(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 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*.



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(d) The motor vehicle dealer and the purchaser of a used passenger motor vehicle to be registered in this State may mutually agree, in writing, that such 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* in accordance with (b) or (c) above, whichever is applicable, within a shorter period of time from the date of issuance of the temporary authorization certificate for the motor vehicle by the Commission than that set forth in (b) and (c) above in order for the purchaser to exercise his or her rights under *N.J.S.A. 39:10-26* through *39:10-30*.

(e) A motor vehicle dealer who violates this section may have his or her motor vehicle dealer's license suspended or revoked, or renewal thereof refused, by the Commission pursuant to *N.J.S.A. 39:10-20*.

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§ 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 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.

3. 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.

4. 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*.

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5. 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.

(c) A temporary registration shall not be issued pursuant to this section if the 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*.

(d) A temporary registration shall not be issued pursuant to this section unless the applicant therefor intends to secure permanent New Jersey registration for the vehicle.

(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 person shall sell, provide, transfer, or otherwise arrange for insurance coverage required pursuant to this section unless he or she is an insurance producer properly licensed by the New Jersey Department of Banking and Insurance.

(f) If the vehicle is subject to the Federal Heavy Vehicle Use Tax imposed by section 4481 of the Internal Revenue Code of 1954 (*26 U.S.C. § 4481*), a temporary registration shall not be issued unless the applicant therefor presents proof in the form prescribed by the United States Secretary of the Treasury that the tax has been paid; a copy of the proof shall be retained.

(g) A temporary registration issued pursuant to this section shall expire at the end of 30 days or as soon as the permanent registration for the vehicle (and, if applicable, license plates) have been received by the registrant, whichever occurs first. The temporary registration shall be destroyed by the registrant at the time of expiration.

(h) A 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 title is lost; or
2. Lien holder has delayed in providing the original title.

(i) A temporary registration is not transferable from one licensee to another or from one vehicle to another. A temporary registration shall not be lent by a licensee to a customer, another licensee, or any other person or entity. A temporary registration shall not be issued for vehicles titled in the name of the licensee or for vehicles covered solely by the licensee's insurance policy.

(j) A licensee authorized to issue temporary registrations by the Commission may purchase temporary registration paper stock from an approved vendor that is listed on the Commission's website, [www.state.nj.us/mvc](http://www.state.nj.us/mvc).

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

(l) The licensee or authorized signatory shall ensure that all required information is properly entered and print the temporary registration. The information shall include:

1. The name of the registrant;

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2. The address of the registrant;
3. A full description of the vehicle including its make, year, model, body type, vehicle identification number, color and, if a commercial vehicle, its gross weight;
4. The date of issue of the temporary registration;
5. The date of expiration of the temporary registration;
6. The license plate number, if applicable;
7. The name of the insurance company that has issued a policy covering the vehicle, as well as the insurance policy number or binder number;
8. The licensee's name and dealer or leasing dealer identification number; and
9. The temporary registration number.

(m) The licensee or authorized signatory shall securely attach the temporary registration plate issued by the 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 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.

(n) The "temporary vehicle registration" portion of the temporary registration issued by a 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.

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

(p) A 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 licensee who commits such a violation may, upon notice and an opportunity to be heard, have the 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.

(q) All lost or stolen temporary registrations shall be promptly reported to the Commission and to the local police; failure to do so shall be conclusive evidence of improper disposition thereof.

(r) A licensee 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 (j) and (k) above.

(s) When a duplicate temporary registration is issued due to a theft of the original temporary registration, a police report shall be obtained and maintained with the file for a period of three years from the date the duplicate temporary registration is issued.

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(t) When a duplicate temporary registration is issued due to a malfunction in the printing process, evidence of the malfunction shall be documented and retained in the sales file for a period of three years from the date the duplicate temporary registration is issued.

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

(a) A 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.

3. 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.

4. 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*.

5. 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.

(c) A nonresident temporary registration shall not be issued pursuant to this section if the 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*.

(d) A nonresident temporary registration shall not be issued pursuant to this section unless the applicant

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therefor presents proof that he or she is a nonresident. Such proof of nonresidency shall include, but not be limited to, a valid out-of-State driver license which lists an out-of-State address for the applicant; a copy of the proof shall be retained for three years.

(e) An applicant for a nonresident temporary registration pursuant to this section shall present proof to the motor vehicle dealer or authorized signatory of his or her out-of-State residence and of the name of the insurance company that is providing liability insurance coverage for the vehicle and the insurance policy number or binder number; such proofs shall be retained for three years.

(f) If the vehicle is subject to the Federal Heavy Vehicle Use Tax imposed by section 4481 of the Internal Revenue Code of 1954 (*26 U.S.C. § 4481*), a nonresident temporary registration shall not be issued unless the applicant therefor presents proof in the form prescribed by the United States Secretary of the Treasury that the tax has been paid; a copy of the proof shall be retained.

(g) A nonresident temporary registration issued pursuant to this section shall expire at the end of 20 days or as soon as the permanent registration for the vehicle has been received by the registrant from his or her state or Federal district of residence, whichever occurs first. The nonresident temporary registration shall be destroyed by the registrant at the time of expiration.

(h) A 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 licensee shall not in any way alter a previously issued nonresident temporary registration.

(i) A nonresident temporary registration is not transferable from one licensee to another or from one vehicle to another. A nonresident temporary registration shall not be lent by a licensee to a customer, another licensee, or any other person or entity. A nonresident temporary registration shall not be issued for vehicles titled in the name of the licensee or for vehicles covered solely by the licensee's insurance policy.

(j) A licensee authorized to issue nonresident temporary registrations by the Commission may purchase temporary registration paper stock from an approved vendor that is listed on the Commission's website, [www.state.nj.us/mvc](http://www.state.nj.us/mvc). A licensee 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.

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

(l) The licensee or authorized signatory shall ensure that all required information is properly entered and print the nonresident temporary registration. The information shall include:

1. The name of the registrant;
2. The address of the registrant;
3. A full description of the vehicle including its make, year, model, body type, vehicle identification number, color and, if a commercial vehicle, its gross weight;
4. The date of issue of the nonresident temporary registration;
5. The date of expiration of the nonresident temporary registration;
6. The name of the insurance company that has issued a policy covering the vehicle, as well as the insurance policy number or binder number;
7. The licensee's name and dealer or leasing dealer identification number; and
8. The temporary registration number.

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(m) 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 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.

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

(o) A 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 licensee who commits such a violation may, upon notice and an opportunity to be heard, have the 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) All lost or stolen non-resident temporary registrations shall be promptly reported to the local police and the Commission; failure to do so shall be conclusive evidence of improper disposition thereof.

(q) A licensee authorized to issue nonresident temporary registrations by the Commission shall print them using a method and type of paper stock as set forth in (j) and (k) above.

(r) When a duplicate nonresident temporary registration is issued due to a theft of the original nonresident temporary registration, a police report shall be obtained and maintained with the file for a period of three years from the date the duplicate nonresident temporary registration is issued.

(s) When a duplicate nonresident temporary registration is issued due to a malfunction in the printing process, evidence of the malfunction shall be documented and retained in the sales file for a period of three years from the date the duplicate nonresident temporary registration is issued.

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§ 13:21-15.11 Dealer 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.

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2. 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 subsection as indicated below:

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

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.

(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 dealerplate:

1. The plate number;

2. VINs of all vehicles to which the plate was assigned, along with dates of assignment; and

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

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leasing dealer's premises).

(h) The electronic or written record required pursuant to (a) above shall be maintained for at least three years and updated as dealer plates are assigned.

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

(j) No dealer plates may be affixed to a vehicle that would otherwise require registration as a commercial vehicle unless the vehicle is held solely for sale and is driven solely for demonstration purposes to prospective purchasers.

(k) No dealer plates may be affixed to a vehicle used for purposes of the dealership other than inventory.

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

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

(m) Lost or stolen dealer plates shall be promptly reported to the local police and the Commission; failure to do so shall be conclusive evidence of improper disposition thereof.

(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.



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§ 13:21-15.12 New motor vehicle dealer inspection stickers

(a) All new motor vehicle dealer inspection stickers shall be accounted for in consecutive order in an electronic or written record, for which the following information is listed for each sticker:

1. The plate number, if applicable;
2. The date of issue or date voided, whichever the case may be;
3. The year, make, and VIN of the vehicle to which the sticker was affixed, if applicable; and
4. The name, address and driver's license number of registrant of the vehicle.

(b) The electronic or written record required pursuant to (a) above shall be maintained for at least five years.

(c) All voided stickers shall be retained by the dealer.

(d) Lost or stolen stickers shall be promptly reported to the local police and to the Commission; failure to do so shall be conclusive evidence of improper disposition thereof.

(e) A motor vehicle dealer who fails upon the demand of the Commission to produce the electronic or written record required pursuant to (a) above or voided stickers retained pursuant to (c) above or who fails to report, or falsely reports, the loss or theft of stickers, as required by (d) above, shall, upon notice and opportunity to be heard, be subject to suspension or revocation of the motor vehicle dealer's license.

(f) A motor vehicle dealer must retain a completed pre-delivery inspection checklist on file for each sticker issued for at least five years from the date of the pre-delivery inspection. This checklist shall indicate:

1. The date and place of inspection;
2. The name of the individual who performed the inspection; and
3. A statement that the vehicle was found to be in compliance and that the inspection procedure conformed to the requirements and/or recommendations made by the manufacturer in order to render the vehicle safe for operation.

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§ 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 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, 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 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, revoke, or decline to issue or to renew the dealer's or leasing dealer's license or issue a fine pursuant to N.J.S.A. 39:10-20.

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§ 13:21-15.14 Hearings

(a) Except as provided in *N.J.A.C. 13:21-15.15*, prior to revoking, suspending, declining to renew or denying a motor vehicle dealer's license, or prohibiting any activity for which a license is required, the Chief Administrator will send a Notice of Proposed Disciplinary Action to the licensee's or applicant's business address.

(b) Within 25 days of the date of the Notice, the licensee or applicant may request a hearing concerning the proposed disciplinary action.

(c) The hearing request must be in writing, must list all contested issues of material fact, issues of law, and mitigating circumstances that the applicant or licensee intends to demonstrate.

(d) If the Chief Administrator finds that there exist issues of material fact or potentially mitigating circumstances, the matter will be referred for a hearing. The hearing shall be in accordance with the Administrative Procedure Act, *N.J.S.A. 52:14B-1* et seq., and the Uniform Administrative Procedure Rules, *N.J.A.C. 1:1* and *N.J.A.C. 1:13*.

(e) Prior to scheduling a formal hearing, the Chief Administrator may, in his or her sole discretion, elect to conduct a prehearing conference.

(f) If there are no material facts in dispute or specific mitigating circumstances subject to proof or if the licensee does not respond to the Notice of Proposed Disciplinary Action within 25 days from the date of the

notice, the Chief Administrator shall issue a Final Administrative Determination appealable only to the Appellate Division of the Superior Court.

(g) Except in the case of extraordinary circumstances, it shall not be a defense to disciplinary action based on a failure to respond to a Notice of Proposed Disciplinary Action that the applicant or licensee was not present at the business address listed in the Commission's records.

(h) Nothing in this subchapter shall prevent the Chief Administrator from seeking to resolve any disciplinary matters through informal means at any stage of disciplinary proceedings described in this section.

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§ 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) Along with the notice of preliminary suspension, the Commission will issue a notice of preliminary hearing to be held by the Commission no later than the 10th day after mailing of the notice.

1. At the preliminary hearing, the Commission will consider whether or not there exists probable cause to find that the alleged conduct that served as a basis for the preliminary suspension occurred and whether or not that conduct constitutes sufficient basis to find an emergent situation justifying the imposition of a preliminary suspension.

(c) Along with the notice of preliminary suspension, the Commission will issue a notice of proposed final suspension, revocation or other agency action.

(d) The licensee will be afforded an opportunity to request a hearing concerning the proposed final agency action pursuant to *N.J.A.C. 13:21-15.14*.