

[First Reprint]

ASSEMBLY, No. 756

STATE OF NEW JERSEY
217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

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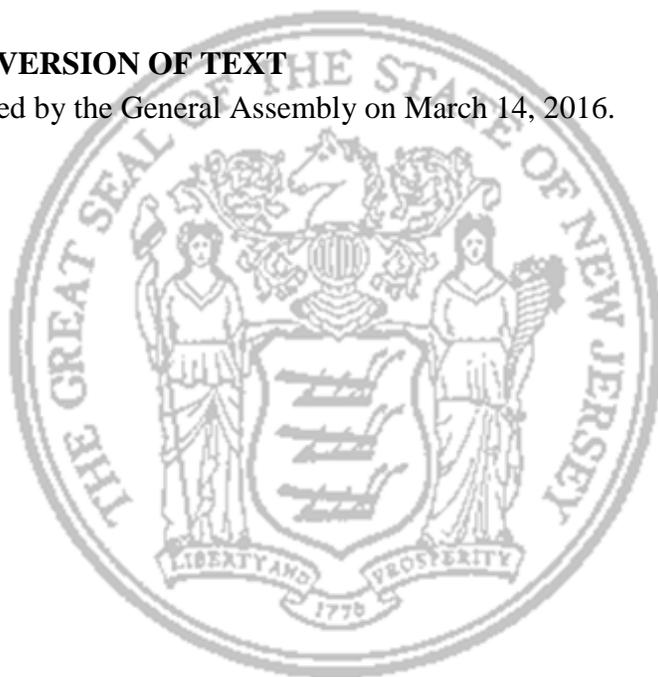
District 5 (Camden and Gloucester)

SYNOPSIS

Regulates use of motor vehicle payment assurance devices.

CURRENT VERSION OF TEXT

As amended by the General Assembly on March 14, 2016.



(Sponsorship Updated As Of: 12/20/2016)

1 AN ACT concerning motor vehicle payment assurance devices and
2 supplementing P.L.1960, c.39 (C.56:8-1 et seq.).

3

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

6

7 1. As used in this act:

8 "Consumer" means a purchaser or lessee of a motor vehicle
9 normally used for personal, family, or household purposes.

10 "Creditor" means a dealer, lender, or lessor, or any assignee of a
11 dealer, lender, or lessor.

12 "Dealer" means a person who is actively engaged in the business
13 of buying, selling, exchanging, or leasing new or used motor
14 vehicles at retail and who has an established place of business.

15 "Financing agreement" means an agreement, through a bargained
16 communication or written contract, of an extension of a loan or
17 other line of credit by a lender to a borrower toward the purchase of
18 a motor vehicle.

19 "Lease agreement" has the same meaning as defined in section 2
20 of P.L.1988, c.123 (C.56:12-30).

21 "Lender" means an agent, officer, director, and employee of a
22 lender, or any person who solicits, arranges for, or otherwise
23 participates or assists in the making of loans, or in any way acts as
24 an intermediary between a borrower and a lender in effecting loans
25 related to the sale or lease of a motor vehicle.

26 "Lessee" has the same meaning as defined in section 2 of
27 P.L.1988, c.123 (C.56:12-30).

28 "Lessor" has the same meaning as defined in section 2 of
29 P.L.1988, c.123 (C.56:12-30).

30 "Motor vehicle" has the same meaning as defined in R.S.39:1-1.

31 "Payment assurance device" means a device installed on a motor
32 vehicle with global positioning system capability, starter interrupt
33 capability allowing for the remote enabling or disabling of the
34 motor vehicle, or both, and which is installed pursuant to a motor
35 vehicle consumer's financing agreement or lease agreement.

36

37 2. a. A creditor shall install or have installed a payment
38 assurance device on a motor vehicle only if:

39 (1) Written disclosure of the installation is provided to the
40 consumer prior to or at the time the motor vehicle is purchased or
41 leased, which shall include a statement of the intended use of the
42 device and notification of the grace period and warning provided
43 for in paragraphs (3) and (4) of this subsection;

44 (2) The consumer is not billed or charged a fee for the
45 installation of the device;

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly floor amendments adopted March 14, 2016.

- 1 (3) The creditor or an agent thereof does not remotely disable
2 the motor vehicle until the consumer is ¹~~five~~ seven¹ or more days
3 in default on any term under the financing agreement or lease
4 agreement, including but not limited to the periodic payment due on
5 the purchase or lease;
- 6 (4) The consumer is provided a warning no less than ¹~~48~~ 72¹
7 hours before the motor vehicle is disabled remotely ¹and the
8 warning is transmitted by the creditor through at least two modes of
9 communication, such as by email, mail, telephone, text message, or
10 through the payment assurance device or motor vehicle¹;
- 11 (5) The creditor or an agent thereof, does not remotely disable
12 the motor vehicle while it is being operated;
- 13 (6) The consumer is provided with the ability to start a disabled
14 motor vehicle and use it for a period of at least 48 hours, in the
15 event of an emergency; and
- 16 (7) For purposes of a financing agreement, the consumer's
17 interest rate on the loan or other line of credit is at least 10
18 percentage points lower than the maximum interest rate permitted
19 by law, pursuant to subsection a. of N.J.S.2C:21-19.
- 20 b. A violation of the provisions of subsection a. of this section
21 by a creditor is an unlawful practice and a violation of P.L.1960,
22 c.39 (C.56:8-1 et seq.).
23
- 24 3. This act shall take effect on the first day of the fourth month
25 next following enactment.