

ASSEMBLY, No. 1954

STATE OF NEW JERSEY

213th LEGISLATURE

INTRODUCED JANUARY 28, 2008

Sponsored by:

Assemblyman NEIL M. COHEN

District 20 (Union)

Assemblywoman MILA M. JASEY

District 27 (Essex)

Co-Sponsored by:

Assemblywoman Oliver, Assemblymen Coutinho and Giblin

SYNOPSIS

Expands consumer protections under New Jersey's motor vehicle "lemon law."

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/29/2008)

A1954 COHEN, JASEY

2

1 AN ACT concerning certain nonconforming new motor vehicles and
2 amending P.L.1988, c.123.

3

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

6

7 1. Section 3 of P.L.1988, c.123 (C.56:12-31) is amended to read
8 as follows:

9 3. If a consumer reports a nonconformity in a motor vehicle to
10 the manufacturer or its dealer during the first **[18,000]** 24,000
11 miles of operation or during the period of two years following the
12 date of original delivery to **[a]** the consumer, whichever is earlier,
13 the manufacturer shall make, or arrange with its dealer to make,
14 within a reasonable time, all repairs necessary to correct the
15 nonconformity. Such repairs if made after the first 12,000 miles of
16 operation or after the period of one year following the date of
17 original delivery to the consumer, whichever is earlier, shall be paid
18 for by the consumer, unless otherwise covered by a manufacturer's
19 warranty, and shall be recoverable as a cost under section 14 of this
20 act.

21 (cf: P.L.1988, c.123, s.3)

22

23 2. Section 5 of P.L.1988, c.123 (C.56:12-33) is amended to read
24 as follows:

25 5. a. It is presumed that a manufacturer or its dealer is unable to
26 repair or correct a nonconformity within a reasonable time if, within
27 the first **[18,000]** 24,000 miles of operation or during the period of
28 two years following the date of original delivery of the motor
29 vehicle to **[a]** the consumer, whichever is the earlier date:

30 (1) Substantially the same nonconformity has been subject to
31 repair three or more times by the manufacturer or its dealer, other
32 than a nonconformity subject to examination or repair pursuant to
33 paragraph (3) of this subsection because it is likely to cause death
34 or serious bodily injury if the vehicle is driven, and the
35 nonconformity continues to exist; **[or]**

36 (2) The motor vehicle is out of service by reason of repair for
37 one or more nonconformities for a cumulative total of 20 or more
38 calendar days since the original delivery of the motor vehicle and a
39 nonconformity continues to exist; or

40 (3) A nonconformity which is likely to cause death or serious
41 bodily injury if the vehicle is driven has been subject to
42 examination or repair at least once by the manufacturer or its dealer,
43 and the nonconformity continues to exist.

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

Matter underlined thus is new matter.

1 b. The presumption contained in subsection a. of this section
2 shall apply against a manufacturer only if the manufacturer has
3 received written notification, by or on behalf of the consumer, by
4 certified mail return receipt requested, of a potential claim pursuant
5 to the provisions of this act and has had one opportunity to repair or
6 correct the defect or condition within 10 calendar days following
7 receipt of the notification. Notification by the consumer shall take
8 place any time after the motor vehicle has had substantially the
9 same nonconformity subject to repair two or more times, or has
10 been out of service by reason of repair for a cumulative total of 20
11 or more calendar days, or with respect to a nonconformity which is
12 likely to cause death or serious bodily injury if the vehicle is driven,
13 the nonconformity has been subject to examination or repair at least
14 once by the manufacturer or its dealer, and the nonconformity
15 continues to exist.

16 c. The two-year term and the 20-day period specified in this
17 section shall be extended by any period of time during which repair
18 services are not available to the consumer because of a war,
19 invasion or strike, or a fire, flood, or other natural disaster.
20 (cf: P.L.1988, c.123, s.5)

21

22 3. Section 6 of P.L.1988, c.123 (C.56:12-34) is amended to read
23 as follows:

24 6. a. At the time of purchase in the State of New Jersey, the
25 manufacturer through its dealer, or at the time of lease in the State
26 of New Jersey, the lessor, shall provide directly to the consumer
27 **【the following】** a written statement prescribed by the director,
28 presented in a conspicuous and understandable manner on a
29 separate piece of paper **【**, in 10-point bold-face type:
30 "IMPORTANT: IF THIS VEHICLE IS DEFECTIVE, YOU MAY
31 BE ENTITLED UNDER NEW JERSEY LAW TO A REFUND OF
32 THE PURCHASE PRICE OR YOUR LEASE PAYMENTS. FOR
33 COMPLETE INFORMATION REGARDING YOUR RIGHTS
34 AND REMEDIES UNDER THE RELEVANT LAW, CONTACT
35 THE NEW JERSEY DEPARTMENT OF LAW AND PUBLIC
36 SAFETY, DIVISION OF CONSUMER AFFAIRS." **】** and printed in
37 both the English and Spanish languages, which provides
38 information concerning a consumer's rights and remedies under
39 P.L.1988, c.123 (C.56:12-29 et seq.), and shall include, but not be
40 limited to, a summary of the provisions of:

41 (1) section 3 of P.L.1988, c.123 (C.56:12-31), concerning the
42 miles of operation of a motor vehicle and time period within which
43 the consumer may report a nonconformity and seek remedies;

44 (2) sections 4 and 5 of P.L.1988, c.123 (C.56:12-32 and 56:12-
45 33), concerning a manufacturer's obligations to a consumer based
46 upon the manufacturer's or its dealer's inability to repair or correct
47 a nonconformity; and

1 (3) any other provisions of P.L.1988, c.123 (C.56:12-29 et seq.)
2 the director deems appropriate.

3 b. Each time a consumer's motor vehicle is returned from being
4 examined or repaired during the period specified in section 3 of
5 **[this act]** P.L.1988, c.123 (C.56:12-31), the manufacturer through
6 its dealer shall provide to the consumer an itemized, legible
7 statement of repair which indicates any diagnosis made and all work
8 performed on the vehicle and provides information including, but
9 not limited to, the following: a general description of the problem
10 reported by the consumer or an identification of the problem
11 reported by the consumer or an identification of the defect or
12 condition; the amount charged for parts and the amount charged for
13 labor, if paid for by the consumer; the date and the odometer
14 reading when the vehicle was submitted for repair; and the date and
15 odometer reading when the vehicle was made available to the
16 consumer.

17 c. Failure to comply with the provisions of this section
18 constitutes an unlawful practice pursuant to section 2 of P.L.1960,
19 c.39 (C.56:8-2).
20 (cf: P.L.1988, c.123, s.6)

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22 4. This act shall take effect immediately.

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STATEMENT

26

27 This bill extends the period of "lemon law" coverage for new
28 automobiles and motorcycles, so that a manufacturer shall make, or
29 arrange with its dealer to make, within a reasonable time, all repairs
30 necessary to correct a vehicle's nonconformity when reported by a
31 consumer during the first 24,000 miles of operation. Currently, the
32 law requires such action by the manufacturer or dealer when
33 reported by a consumer during the first 18,000 miles of operation;
34 or during the period of two years following the date of original
35 delivery to the consumer, which timeframe is unaltered by the bill.

36 Also, the bill distinguishes between nonconformities generally
37 that impair the use, value or safety of a motor vehicle and those
38 nonconformities that are likely to cause death or serious bodily
39 injury if the vehicle is driven. Regarding the latter, "serious
40 nonconformities," it shall be presumed that a manufacturer or its
41 dealer is unable to repair or correct such nonconformity if the
42 nonconformity has been subject to examination or repair at least
43 once; this presumption only applies to other types of
44 nonconformities if the same nonconformity has been subject to
45 repair three or more times.

46 By establishing a presumption of inability to repair or correct a
47 safety-related "serious nonconformity" after only one examination
48 or repair attempt, the bill creates a more expedited procedure for a

1 consumer to pursue to return a faulty vehicle with such
2 nonconformity to the manufacturer, thereby potentially reducing or
3 eliminating the consumer's continued use of the unsafe vehicle.

4 Finally, the bill establishes a new, more detailed consumer notice
5 concerning New Jersey's "lemon law." The notice shall be
6 provided by manufacturers, as prescribed by the Director of the
7 Division of Consumer Affairs, presented on a separate piece of
8 paper and printed in both the English and Spanish languages, and
9 provide information concerning a consumer's rights and remedies,
10 including: the miles of operation and time period within which a
11 consumer may report a nonconformity; the manufacturer's
12 obligations to the consumer if it or its dealer is unable to repair a
13 nonconformity; and any other "lemon law" provisions deemed
14 appropriate by the Director.