

[Second Reprint]

**ASSEMBLY, No. 756**

**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

**Sponsored by:**

**Assemblyman PAUL D. MORIARTY**

**District 4 (Camden and Gloucester)**

**Assemblyman CRAIG J. COUGHLIN**

**District 19 (Middlesex)**

**Assemblyman RAJ MUKHERJI**

**District 33 (Hudson)**

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**District 14 (Mercer and Middlesex)**

**Senator NILSA CRUZ-PEREZ**

**District 5 (Camden and Gloucester)**

**SYNOPSIS**

Regulates use of motor vehicle payment assurance devices.

**CURRENT VERSION OF TEXT**

As amended on February 13, 2017 by the General Assembly pursuant to the Governor's recommendations.



**(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 <sup>2</sup>**[,]** or<sup>2</sup> lender, <sup>2</sup>**[or lessor,]**<sup>2</sup> or any  
11 assignee of a dealer <sup>2</sup>**[,]** or<sup>2</sup> lender <sup>2</sup>**[, or lessor]**<sup>2</sup>.

12 "Dealer" means a person who is <sup>2</sup>licensed as a motor vehicle  
13 dealer or leasing dealer under R.S.39:10-19 and<sup>2</sup> actively engaged  
14 in the business of buying, selling, exchanging, or leasing new or  
15 used motor vehicles at retail and who has an established place of  
16 business.

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

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

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

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

30 <sup>2</sup>**["Lessor" has the same meaning as defined in section 2 of**  
31 **P.L.1988, c.123 (C.56:12-30).]**<sup>2</sup>

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

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

38

39 2. a. <sup>2</sup>No person other than a creditor may install or have  
40 installed a payment assurance device on a motor vehicle.

41 b.<sup>2</sup> A creditor <sup>2</sup>**[shall]** may<sup>2</sup> install or have installed a payment  
42 assurance device on a motor vehicle only if:

**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:

<sup>1</sup>Assembly floor amendments adopted March 14, 2016.

<sup>2</sup>Assembly amendments adopted in accordance with Governor's  
recommendations February 13, 2017.

1 (1) <sup>2</sup>~~Written disclosure of the installation is provided to the~~  
2 consumer prior to or at the time the motor vehicle is purchased or  
3 leased, which shall include a statement of the intended use of the  
4 device and notification<sup>1</sup> Prior to or at the time the motor vehicle is  
5 purchased or leased, the creditor provides, and the consumer  
6 acknowledges in writing the receipt of, written notification of the  
7 installation of the payment assurance device, which shall include,  
8 but is not limited to, a statement in at least 10-point boldface type  
9 indicating that the motor vehicle is equipped with a device that the  
10 creditor can use to remotely disable the vehicle, advising the  
11 consumer<sup>2</sup> of the grace period and warning provided for in  
12 paragraphs (3) and (4) of this subsection <sup>2</sup>, and identifying the  
13 name, address, and a telephone number of the creditor<sup>2</sup>;

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

16 (3) The creditor or an agent thereof does not remotely disable  
17 the motor vehicle until the consumer is <sup>1</sup>~~five~~ <sup>2</sup>~~seven~~<sup>1</sup> or more  
18 days<sup>2</sup> in default on any term under the financing agreement or  
19 lease agreement, including but not limited to the periodic payment  
20 due on the purchase or lease <sup>2</sup>, for five or more calendar days on a  
21 financing agreement or lease agreement whose terms call for at  
22 least one weekly payment or for 10 or more calendar days on any  
23 other financing agreement or lease agreement<sup>2</sup>;

24 (4) The consumer is provided a warning no less than <sup>1</sup>~~48~~ <sup>72</sup><sup>1</sup>  
25 hours before the motor vehicle is disabled remotely <sup>1</sup>, and the  
26 warning is transmitted by the creditor through at least two modes of  
27 communication, such as by email, mail, telephone, text message, or  
28 through the payment assurance device or motor vehicle<sup>1 2</sup>, provided  
29 that the warning method shall not violate any applicable State or  
30 federal law<sup>2</sup>;

31 (5) The <sup>2</sup>~~creditor or an agent thereof, does not~~ payment  
32 assurance device cannot<sup>2</sup> remotely disable the motor vehicle while  
33 it is being operated; <sup>2</sup>and<sup>2</sup>

34 (6) The consumer <sup>2</sup>in default<sup>2</sup> is provided with the ability to  
35 start a <sup>2</sup>remotely<sup>2</sup> disabled motor vehicle and use it for a period of  
36 at least 48 hours <sup>2</sup>[, in the event of an emergency; and

37 (7) For purposes of a financing agreement, the consumer's  
38 interest rate on the loan or other line of credit is at least 10  
39 percentage points lower than the maximum interest rate permitted  
40 by law, pursuant to subsection a. of N.J.S.2C:21-19<sup>2</sup>.

41 <sup>2</sup>[b.] c.<sup>2</sup> A violation of the provisions of subsection a. of this  
42 section by a creditor is an unlawful practice and a violation of  
43 P.L.1960, c.39 (C.56:8-1 et seq.).

44  
45 3. This act shall take effect on the first day of the fourth month  
46 next following enactment.