# ASSEMBLY, No. 1366 **STATE OF NEW JERSEY** 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by: Assemblyman DANIEL R. BENSON District 14 (Mercer and Middlesex) Assemblywoman BETTYLOU DECROCE District 26 (Essex, Morris and Passaic)

## SYNOPSIS

Concerns motor vehicle subscription services.

## **CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



### A1366 BENSON, B.DECROCE

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AN ACT concerning motor vehicle subscription programs and
 supplementing Title 39 of the Revised Statutes.

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

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1. As used in this act:

8 "Qualified motor vehicle dealer" or "dealer" means a motor 9 vehicle dealer authorized to engage in the business of buying, 10 selling, or dealing in motor vehicles pursuant to R.S.39:10-19 who 11 offers a subscription vehicle program to consumers.

12 "Subscription vehicle" means a motor vehicle offered by
13 qualified motor vehicle dealer as a part of a dealer's subscription
14 vehicle program.

15 "Subscription vehicle program" or "program" means the use of a 16 vehicle in a qualified motor vehicle dealer's inventory as a 17 subscription vehicle where the dealer offers the vehicle for use by a 18 consumer for an established period of time upon payment of a fee. 19 A subscription vehicle program shall not mean a "lease" as defined by section 2 of P.L.1994, c.190 (C.56:12-61) if the initial, 20 established period of time for the consumer's use of the vehicle 21 22 does not exceed 120 days. Subsequent renewals of that established 23 period of time which result in a consumer's actual use of a vehicle 24 exceeding 120 days in the aggregate shall not convert a subscription 25 vehicle program into a lease as defined by section 2 of P.L.1994, 26 c.190 (C.56:12-61).

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28 2. a. A qualified motor vehicle dealer may designate any
29 vehicle in the dealer's inventory as a subscription vehicle. There
30 shall be no limit on the number of subscription vehicles the dealer
31 may offer.

b. The dealer shall obtain from the Chief Administrator of the
New Jersey Motor Vehicle Commission a registration and license
plates pursuant to section 3 of P.L. c. (C. ) (pending before
the Legislature as this bill) for all subscription vehicles offered by
the dealer.

37 Whenever a dealer and a consumer enter into a contract c. 38 pursuant to a subscription vehicle program, the dealer shall designate a license plate provided by the chief administrator 39 40 pursuant to section 3 of P.L., c. (C. ) (pending before the Legislature as this bill) for the vehicle selected by the consumer. 41 42 The dealer shall provide to the chief administrator the following 43 information: the motor vehicle identification number and license 44 plate number assigned to the vehicle, the name of the subscriber, 45 and the term of the subscription for the vehicle.

d. Upon the conclusion of the subscription, the dealer shall
remove the license plate from the vehicle and notify the chief
administrator that the subscription has terminated.

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3. a. The chief administrator may issue, upon application by a qualified motor vehicle dealer on a form designated by the chief administrator, registration certificates and license plates for vehicles that the dealer offers as subscription vehicles. The license plate shall be assigned only to a vehicle being used by a qualified motor vehicle dealer as a subscription vehicle. The fee for the license plate shall be \$50 for each set of license plates.

b. The chief administrator shall design a license plate to
identify a vehicle as a subscription vehicle. The plate shall contain
an "S" designation and shall bear the marking "Subscription
Vehicle." A dealer shall assign only the license plate produced
pursuant to this subsection to a subscription vehicle.

c. A person shall not transfer a subscription vehicle license
plate to any vehicle other than a subscription vehicle. Any person
who violates the provisions of this subsection shall be fined a
maximum of \$1,000.

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4. This act shall take effect on the first day of the seventh
month after enactment, provided that the Chief Administrator of the
New Jersey Motor Vehicle Commission may take any anticipatory
action in advance as may be necessary to implement the provisions
of this act.

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#### STATEMENT

27 The bill authorizes qualified motor vehicle dealers to operate 28 subscription vehicle programs. The bill authorizes any qualified 29 motor vehicle dealer to designate any vehicle in the dealer's inventory as a subscription vehicle. The dealer is required to obtain 30 a registration and license plates for each vehicle from the New 31 32 Jersey Motor Vehicle Commission (MVC). Whenever a dealer and 33 consumer enter into a contract for a subscription vehicle, the dealer 34 is required to designate a special "S" license plate for the vehicle. 35 Upon conclusion of the subscription, the dealer is required to 36 remove the license plate and notify the chief administrator of the 37 MVC that the subscription has ended.

The bill authorizes the chief administrator of the MVC to issue registration certificates and license plates for vehicles that dealers offer as subscription vehicles. The license plates are to cost \$50, contain an "S" designation, bear the marking "Subscription Vehicle", and may only be assigned to vehicles that are used as subscription vehicles.

The bill prohibits transferring the subscription vehicle license plates to any vehicle other than a subscription vehicle. Failure to comply with that prohibition subjects the person to a fine of up to \$1,000.