## ASSEMBLY, No. 1366

## STATE OF NEW JERSEY 219th LEGISLATURE

## PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:<br>Assemblyman DANIEL R. BENSON<br>District 14 (Mercer and Middlesex)<br>Assemblywoman BETTYLOU DECROCE<br>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

2

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

Be It Enacted by the Senate and General Assembly of the State of New Jersey:

1. As used in this act:
"Qualified motor vehicle dealer" or "dealer" means a motor vehicle dealer authorized to engage in the business of buying, selling, or dealing in motor vehicles pursuant to R.S.39:10-19 who offers a subscription vehicle program to consumers.
"Subscription vehicle" means a motor vehicle offered by qualified motor vehicle dealer as a part of a dealer's subscription vehicle program.
"Subscription vehicle program" or "program" means the use of a vehicle in a qualified motor vehicle dealer's inventory as a subscription vehicle where the dealer offers the vehicle for use by a consumer for an established period of time upon payment of a fee. 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, established period of time for the consumer's use of the vehicle does not exceed 120 days. Subsequent renewals of that established period of time which result in a consumer's actual use of a vehicle exceeding 120 days in the aggregate shall not convert a subscription vehicle program into a lease as defined by section 2 of P.L.1994, c. 190 (C.56:12-61).
2. a. A qualified motor vehicle dealer may designate any vehicle in the dealer's inventory as a subscription vehicle. There shall be no limit on the number of subscription vehicles the dealer 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.
c. Whenever a dealer and a consumer enter into a contract pursuant to a subscription vehicle program, the dealer shall designate a license plate provided by the chief administrator pursuant to section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill) for the vehicle selected by the consumer. The dealer shall provide to the chief administrator the following information: the motor vehicle identification number and license plate number assigned to the vehicle, the name of the subscriber, 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.

## A1366 BENSON, B.DECROCE

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 $\$ 1,000$.
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.

## STATEMENT

The bill authorizes qualified motor vehicle dealers to operate subscription vehicle programs. The bill authorizes any qualified motor vehicle dealer to designate any vehicle in the dealer's inventory as a subscription vehicle. The dealer is required to obtain a registration and license plates for each vehicle from the New Jersey Motor Vehicle Commission (MVC). Whenever a dealer and consumer enter into a contract for a subscription vehicle, the dealer is required to designate a special " $S$ " license plate for the vehicle. Upon conclusion of the subscription, the dealer is required to remove the license plate and notify the chief administrator of the 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.

