

[First Reprint]

ASSEMBLY, No. 1601

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblywoman PAMELA R. LAMPITT

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Co-Sponsored by:

Assemblyman Conaway, Assemblywoman Quijano, Assemblyman Coughlin, Assemblywomen Mosquera, Chaparro, Assemblyman Mejia, Assemblywoman Reynolds-Jackson and Assemblyman McKeon

SYNOPSIS

Allows termination of motor vehicle lease in event of death; prohibits imposition of fee for early termination.

CURRENT VERSION OF TEXT

As reported by the Assembly Consumer Affairs Committee on March 8, 2021, with amendments.

(Sponsorship Updated As Of: 5/12/2021)

1 AN ACT concerning motor vehicle leases and supplementing Title
2 56 of the Revised Statutes.

3

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

6

7 1. a. A dealer or lessor shall allow a motor vehicle lease to be
8 terminated early in the event of a lessee's death, if the motor vehicle
9 was leased in this State and, at the time of the lessee's death, registered
10 in this State.

11 b. A dealer or lessor shall not impose or assess a fee for the early
12 termination of a motor vehicle lease in the event of a lessee's death
13 pursuant to the provisions of subsection a. of this section. This
14 subsection shall not preclude a dealer or lessor from assessing a
15 reasonable fee for a motor vehicle returned with excess wear ¹, use, or
16 mileage¹, if specified in the lease agreement.

17 c. A motor vehicle lease shall not require, in the event of a
18 lessee's death, that the decedent's surviving spouse, family member,
19 guardian, or estate administrator or executor: (1) purchase the leased
20 motor vehicle; (2) buy out the remainder of the lease; or (3) continue
21 to lease the motor vehicle under the original terms of the lease.

22 d. A surviving spouse, family member, guardian, or estate
23 administrator or executor shall provide a death certificate or other
24 satisfactory proof of the lessee's death to the dealer or lessor within 60
25 days after the death of the decedent in order to have a lease terminated
26 pursuant to the provisions of this section.

27 e. The lease shall be terminated upon return of the motor vehicle
28 to the dealer or lessor.

29 f. This section shall not apply to commercial vehicles.

30 ¹g. Nothing in this section shall be construed to apply to a
31 surviving co-lessee who executed the motor vehicle lease agreement
32 with the lessee.¹

33

34 2. a. A dealer or lessor shall provide written disclosure, in a
35 contract or financing agreement to lease a motor vehicle, that the
36 lease may be terminated early in the event of the lessee's death,
37 pursuant to section 1 of P.L. , c. (C.) (pending before the
38 Legislature as this bill).

39 b. A violation of subsection a. of this section shall be subject to
40 a penalty of \$500, to be collected in a civil action by a summary
41 proceeding under the "Penalty Enforcement Law of 1999,"
42 P.L.1999, c.274 (C.2A:58-10 et seq.).

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 ACO committee amendments adopted March 8, 2021.

1 3. Section 1 of this act shall take effect immediately and shall
2 apply to any motor vehicle lease signed on or after the date of
3 enactment of this act, and section 2 of this act shall take effect on
4 the first day of the second month next following the date of
5 enactment.