

SENATE, No. 344

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Senator BAER

1 AN ACT concerning auto dealers and supplementing P.L.1960, c.39  
2 (C.56:8-1 et seq.).

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

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7 1. This act shall be known and may be cited as the "Auto  
8 Purchasers' Bill of Rights Act."

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10 2. As used in this act:

11 a. "Auto dealer" means any person who, in the ordinary course of  
12 business, is engaged in the sale or leasing of motor vehicles at retail to  
13 auto purchasers or who in the course of any 12-month period offers  
14 more than three motor vehicles for sale or lease at retail.

15 b. "Auto purchaser" means any individual who purchases or leases  
16 a motor vehicle at retail.

17 c. "Motor vehicle" means any vehicle driven by means other than  
18 muscular power, excepting vehicles which run only upon rails or  
19 tracks.

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21 3. The Attorney General shall, as soon as practicable, prepare and  
22 make available to the public, at cost, a statement in plain language and  
23 in a form and size suitable for posting and distributing pursuant to the  
24 provisions of this act, outlining deceptive auto advertising and sales  
25 practices which are prohibited pursuant to P.L.1960, c.39 (C.56:8-1  
26 et seq.), or any regulations adopted pursuant to that act. The Attorney  
27 General shall revise the statement whenever he determines that  
28 significant changes have occurred concerning those prohibitions but  
29 not more frequently than once during a calendar year. Where practical  
30 considerations make it necessary for the Attorney General to limit the  
31 extent of the statement, items shall be selected on the basis of the  
32 importance of their inclusion in protecting the legal rights of auto  
33 purchasers.

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35 4. The Attorney General shall keep a list of auto dealers who have

1 repeatedly committed serious acts of deceptive auto advertising or  
2 sales practices. An auto dealer shall be placed on that list if the  
3 Attorney General finds that the dealer has repeatedly committed serious  
4 violations of the provisions of P.L.1960, c.39 (C.56:8-1 et seq.), or  
5 any regulations adopted pursuant to that act concerning deceptive auto  
6 advertising or sales practices. In determining whether to place an auto  
7 dealer on the list, the Attorney General shall consider only those  
8 violations for which the auto dealer has been subject to one or more  
9 of the following penalties or remedies:

10 a. A penalty assessed pursuant to the provisions of section 1 of  
11 P.L.1967, c.97 (C.56:8-3.1);

12 b. An injunction issued pursuant to the provisions of section 8 of  
13 P.L.1960, c.39 (C.56:8-8);

14 c. A fine imposed pursuant to the provisions of section 1 of  
15 P.L.1966, c.39 (C.56:8-13);

16 d. An order to restore property or money pursuant to the  
17 provisions of section 3 of P.L.1971, c.247 (C.56:8-15); or

18 e. An awarding of damages, fees or costs awarded pursuant to  
19 section 7 of P.L.1971, c.247 (C.56:8-19). The identity of the auto  
20 dealer and a description of any serious violations by the auto dealer of  
21 the provisions of P.L.1960, c.39 (C.56:8-1 et seq.), or any regulations  
22 adopted pursuant to that act concerning deceptive auto advertising or  
23 sales practices shall be included on the list for a period of five years  
24 following the auto dealer's most recent serious violation. The  
25 Attorney General shall notify each auto dealer who is included on the  
26 list that the dealer is on the list and shall make available to the dealer,  
27 at cost, a written disclosure of all information from the list pertaining  
28 to that dealer.

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30 5. Every auto dealer shall, prior to any sale or leasing of a motor  
31 vehicle to an auto purchaser or to accepting a deposit for the sale or  
32 leasing, provide the auto purchaser with a current copy of the  
33 statement made available pursuant to the provisions of section 3 of this  
34 act and a current copy of any written disclosure made available to the  
35 auto dealer pursuant to section 4 of this act. The auto dealer shall  
36 keep current copies of the statement and written disclosure, if any,  
37 posted at one or more locations so that the statement and disclosure  
38 are prominent and accessible to any person who enters the auto  
39 dealer's premises to purchase or lease a motor vehicle.

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41 6. This act shall take effect immediately, except that section 4 shall  
42 remain inoperative until the 180th day following the effective date of  
43 this act.

## STATEMENT

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3 This bill, designated the "Auto Purchasers' Bill of Rights Act,"  
4 supplements P.L.1960, c.39 (C.56:8-1 et seq.), and requires each auto  
5 dealer to prominently post and provide to any auto purchaser or  
6 leasee, prior to a sale or lease, current copies of:

7 1. A statement prepared by the Attorney General outlining  
8 deceptive auto advertising and sales practices prohibited under  
9 P.L.1960, c.39; and

10 2. A written disclosure provided to the dealer by the Attorney  
11 General of serious violations by the dealer of P.L.1960, c.39, related  
12 to deceptive auto advertising and sales practices if the dealer has  
13 repeatedly committed such violations.

14 This bill is designed to help educate consumers about common  
15 deceptive auto advertising and sales practices and to make the  
16 consumers aware that the practices are violations of State law.  
17 Among these deceptive practices are "bait and switch" tactics,  
18 accepting deposits on unavailable autos, tampering with odometers,  
19 and misleading advertising related to credit, warranties, trade-in  
20 allowances, and false "guaranteed lowest price" and "reduced price"  
21 claims. The bill would also insure that a consumer is aware, prior to  
22 a transaction with an auto dealer, if the dealer has seriously and  
23 repeatedly violated the law concerning deceptive auto sales practices.  
24 The bill would strengthen the Attorney General's efforts to curb those  
25 abusive practices without a significant additional commitment of  
26 manpower.

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30  
31 "Auto Purchasers Bill of Rights Act."