

ASSEMBLY CONSUMER AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1140

STATE OF NEW JERSEY

DATED: OCTOBER 5, 2026

The Assembly Consumer Affairs Committee reports favorably Assembly Bill No. 1140.

As reported by the committee, this bill allows a motor vehicle lease to be terminated upon the death of a lessee once the vehicle is returned to the dealer or lessor.

The bill prohibits a dealer or lessor from imposing or assessing any fee for the early termination of a vehicle lease in the event of a lessee's death. However, the dealer or lessor may assess a reasonable fee for a vehicle returned with excess wear, use, or mileage if specified in the lease agreement.

The bill also prohibits a lease from requiring, in the event of a lessee's death, that the decedent's surviving spouse, family member, guardian, or estate administrator or executor:

- 1) purchase the leased vehicle;
- 2) buy out the remainder of the lease; or
- 3) continue to lease the vehicle under the lease's original terms.

A surviving spouse, family member, guardian, or estate administrator or executor is required to provide a death certificate, or other satisfactory proof of the lessee's death, to the dealer or lessor within 60 days after the decedent's death. The bill provides that its provisions do not apply to a surviving co-lessee who executed the motor vehicle lease agreement with the lessee.

Further, the bill requires that dealers and lessors provide information about early termination in the event of death in the lease contract or financing agreement. A dealer or lessor in violation of this requirement would be subject to a \$500 penalty.

This bill was prefiled for introduction in the 2026-2027 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.