

ASSEMBLY, No. 1140

STATE OF NEW JERSEY

222nd LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2026 SESSION

Sponsored by:

Assemblyman JOE DANIELSEN

District 17 (Middlesex and Somerset)

Assemblyman WILLIAM B. SAMPSON, IV

District 31 (Hudson)

Co-Sponsored by:

Assemblywoman Quijano, Assemblyman Coughlin, Assemblywoman Reynolds-Jackson and Assemblywoman Brennan

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 with technical review.



(Sponsorship Updated As Of: 9/24/2026)

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:*

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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, use, or
16 mileage, 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:

20 **[(1) purchase the leased motor vehicle;**

21 **(2) buy out the remainder of the lease; or**

22 **(3) continue to lease the motor vehicle under the original terms of**
23 **the lease.]**

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

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

31 f. This section shall not apply to commercial motor vehicles as
32 defined in R.S.39:1-1.

33 g. Nothing in this section shall be construed to apply to a surviving
34 co-lessee who executed the motor vehicle lease agreement with the
35 lessee.

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

42 b. A violation of subsection a. of this section shall be subject to
43 a penalty of \$500, to be collected in a civil action by a summary
44 proceeding under the "Penalty Enforcement Law of 1999,"
45 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.

A1140 DANIELSEN, SAMPSON

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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.