

ASSEMBLY, No. 1481

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

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District 4 (Camden and Gloucester)

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SYNOPSIS

Imposes certain requirements on motor vehicle rental companies that equip vehicles with electronic toll transponders.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning rented motor vehicles and supplementing
2 P.L.1960, c.39 (C.56:8-1 et seq.).

3

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

6

7 1. a. As used in this section:

8 “Rental company” means a person engaged in the business of
9 renting motor vehicles to the general public at retail, including
10 renting vehicles on an hourly, daily, per trip, or other short-term
11 basis.

12 “Renter” means a person renting a motor vehicle from a rental
13 company.

14 b. A rental company which equips a vehicle with an electronic
15 vehicle identification system transponder or other electronic toll
16 collection device shall allow a renter to: (1) opt-out of its use; or (2)
17 use an electronic vehicle identification system transponder or other
18 electronic toll collection device owned by the renter.

19 c. A rental company may charge a renter a fee of up to three
20 times the amount of the actual cost incurred by the company for any
21 toll, up to a maximum of \$5, if the renter:

22 (1) opts-out of the use of an electronic vehicle identification
23 system transponder or other electronic toll collection device offered
24 by the rental company;

25 (2) drives through an electronic toll collection system for which
26 there is not an option for cash payment; and

27 (3) does not use an electronic vehicle identification system
28 transponder or other electronic toll collection device owned by the
29 renter for the payment of the toll.

30 If a rental company charges a fee pursuant to this subsection, the
31 rental company shall not charge any additional fees.

32 d. A rental company that provides or offers renters a motor
33 vehicle equipped with an electronic vehicle identification system
34 transponder or similar electronic toll collection device shall clearly
35 and conspicuously include the applicable terms and conditions of its
36 use, including all charges associated with the use of the electronic
37 vehicle identification system transponder or other electronic toll
38 collection device, in the rental agreement issued to the renter, and
39 post any applicable terms and conditions in a conspicuous location
40 on the business premises.

41 The rental company shall obtain a signed written agreement from
42 a renter who chooses to use an electronic vehicle identification
43 system transponder or other electronic toll collection device
44 provided by the rental company.

45 The rental company also shall inform a renter of the ability to
46 opt-out of the use of an electronic vehicle identification system
47 transponder or other electronic toll collection device provided or
48 offered by the rental company or use an electronic vehicle

1 identification system transponder or other electronic toll collection
2 device owned by the renter and provide appropriate instructions.

3 e. A violation of this section is an unlawful practice pursuant to
4 P.L.1960, c.39 (C.56:8-1 et seq.).

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6 2. This act shall take effect immediately and shall be applicable
7 to motor vehicle rental transactions occurring on or after the 30th
8 day after the date of enactment ; except that subsection c. of section
9 1 of P.L. , c. (C.) (pending before the Legislature as this
10 bill) shall remain inoperative until there is one additional toll
11 collection facility in which there is not an option for cash payment
12 operated by the New Jersey Turnpike Authority, the South Jersey
13 Transportation Authority, or their successors.

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16 STATEMENT

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18 This bill imposes certain requirements on motor vehicle rental
19 companies that equip vehicles with electronic toll transponders, such
20 as E-ZPass, and makes a violation of the bill's provisions an unlawful
21 practice under the consumer fraud act.

22 Specifically, under the bill, a rental company which equips a
23 vehicle with an electronic vehicle identification system transponder or
24 other electronic toll collection device is required to allow a renter to
25 opt-out of its use or use a transponder or other device owned by the
26 renter.

27 In addition, the bill provides that a rental company may charge a
28 renter a fee of up to three times the amount of the actual cost incurred
29 by the company for any toll, up to a maximum of \$5, if the renter: 1)
30 opts-out of the use of an electronic vehicle identification system
31 transponder or other electronic toll collection device offered by the
32 rental company; 2) drives through an electronic toll collection system
33 for which there is not an option for cash payment; and 3) does not use
34 an electronic vehicle identification system transponder or other
35 electronic toll collection device owned by the renter for the payment of
36 the toll. Under the bill, if a rental company charges this fee, the
37 company is prohibited from charging any additional fees. This
38 provision is to remain inoperative until there is one additional toll
39 collection facility in which there is not an option for cash payment
40 operated by the New Jersey Turnpike Authority, the South Jersey
41 Transportation Authority, or their successors.

42 Finally, the bill requires any rental company providing or offering
43 vehicles equipped with electronic vehicle identification system
44 transponders to clearly and conspicuously include the applicable terms
45 and conditions of its use, including all charges associated with the use
46 of the electronic vehicle identification system transponder or other
47 electronic toll collection device, in any rental agreement issued to a
48 renter, and post any applicable terms and conditions in a conspicuous

1 location on the business premises. The rental company is required to
2 obtain a signed written agreement from a renter who chooses to use
3 an electronic vehicle identification system transponder or other
4 electronic toll collection device provided by the rental company.

5 The rental company is also required to inform a renter of his or her
6 ability to opt-out of the use of an electronic vehicle identification
7 system transponder or other electronic toll collection device
8 provided or offered by the rental company, or use a transponder or
9 other device owned by the renter and provide appropriate
10 instructions.

11 Under the bill, a violation of any of these provisions by the rental
12 company is an unlawful practice under the consumer fraud act. An
13 unlawful practice is punishable by a monetary penalty of not more
14 than \$10,000 for a first offense and not more than \$20,000 for any
15 subsequent offense. In addition, violations may result in cease and
16 desist orders issued by the Attorney General, the assessment of
17 punitive damages, and the awarding of treble damages and costs to the
18 injured party.

19 According to the sponsor, consumers may be unaware of the
20 significant cost of renting a vehicle in an area with many toll roads,
21 and rental car companies do not always clearly and conspicuously state
22 electronic toll policies or estimate costs. Out-of-town visitors often
23 drive rental cars on major highways that assess tolls, and incur
24 surprisingly significant charges due to the additional fees imposed
25 under the rental agreement. Consumers who do not rent a transponder
26 in order to avoid a charge by a rental company may encounter a
27 problem if they are unable to pay cash at a particular toll plaza with no
28 cash lanes. Because consumers view these charges as price gouging,
29 they are demanding action against these rental practices.