

ASSEMBLY, No. 1601

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

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District 33 (Hudson)

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District 35 (Bergen and Passaic)

Assemblywoman ANGELA V. MCKNIGHT

District 31 (Hudson)

Co-Sponsored by:

Assemblyman Conaway, Assemblywoman Quijano, Assemblyman Coughlin, Assemblywomen Mosquera, Chaparro and Assemblyman Mejia

SYNOPSIS

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

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



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
9 vehicle was leased in this State and, at the time of the lessee's
10 death, registered in this State.

11 b. A dealer or lessor shall not impose or assess a fee for the
12 early termination of a motor vehicle lease in the event of a lessee's
13 death pursuant to the provisions of subsection a. of this section.
14 This subsection shall not preclude a dealer or lessor from assessing
15 a reasonable fee for a motor vehicle returned with excess wear, if
16 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
19 member, guardian, or estate administrator or executor: (1) purchase
20 the leased motor vehicle; (2) buy out the remainder of the lease; or
21 (3) continue to lease the motor vehicle under the original terms of
22 the lease.

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

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

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

31

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

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

41

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

STATEMENT

This bill allows a motor vehicle lease to be terminated upon the death of the lessee and the return of the vehicle 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 would be permitted to assess a reasonable fee for a vehicle returned with excess wear, 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 original terms of the lease.

A surviving spouse, family member, guardian, or estate administrator or executor would need to provide a death certificate, or other satisfactory proof of the lessee's death, to the dealer or lessor within 60 days after the death of the decedent.

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.