

ASSEMBLY, No. 1883

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblywoman HOLLY T. SCHEPISI
District 39 (Bergen and Passaic)

SYNOPSIS

Requires consumer notification of vehicle warranty for aftermarket and recycled parts.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning motor vehicle warranties and amending and
2 supplementing P.L.1988, c.123.

3

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

6

7 1. Section 6 of P.L.1988, c.123 (C.56:12-34) is amended to
8 read as follows:

9 6. a. At the time of purchase in the State of New Jersey, the
10 manufacturer, or, in the case of an authorized emergency vehicle,
11 the manufacturer, co-manufacturer, or post-manufacturing modifier,
12 through its dealer or distributor, or at the time of lease in the State
13 of New Jersey, the lessor, shall provide directly to the consumer a
14 written statement prescribed by the director, presented in a
15 conspicuous and understandable manner on a separate piece of
16 paper and printed in both the English and Spanish languages, which
17 provides information concerning a consumer's rights and remedies
18 under P.L.1988, c.123 (C.56:12-29 et seq.), and shall include, but
19 not be limited to, a summary of the provisions of:

20 (1) section 3 of P.L.1988, c.123 (C.56:12-31), concerning the
21 miles of operation of a motor vehicle and time period within which
22 the consumer may report a nonconformity and seek remedies;

23 (2) sections 4 and 5 of P.L.1988, c.123 (C.56:12-32 and 56:12-
24 33), concerning a manufacturer's, co-manufacturer's, or post-
25 manufacturing modifier's obligations to a consumer based upon the
26 manufacturer's, co-manufacturer's, or post-manufacturing
27 modifier's, or its dealer's or distributor's, inability to repair or
28 correct a nonconformity; **[and]**

29 (3) any other provisions of P.L.1988, c.123 (C.56:12-29 et seq.)
30 the director deems appropriate; and

31 (4) if appropriate, the federal "Magnuson-Moss Warranty Act,"
32 15 U.S.C. s.2301 et seq., as it relates to aftermarket and recycled
33 parts, pursuant to section 2 of P.L. , c. (C.) (pending before
34 the Legislature as this bill).

35 b. Each time a consumer's motor vehicle is returned from being
36 examined or repaired during the period specified in section 3 of
37 P.L.1988, c.123 (C.56:12-31), the manufacturer, or, in the case of
38 an authorized emergency vehicle, the manufacturer, co-
39 manufacturer, or post-manufacturing modifier, through its dealer or
40 distributor, shall provide to the consumer an itemized, legible
41 statement of repair which indicates any diagnosis made and all work
42 performed on the vehicle and provides information including, but
43 not limited to, the following: a general description of the problem
44 reported by the consumer or an identification of the problem
45 reported by the consumer or an identification of the defect or

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.

1 condition and the source of the defect; the amount charged for parts
2 and the amount charged for labor, if paid for by the consumer; the
3 date and the odometer reading when the vehicle was submitted for
4 repair; and the date and odometer reading when the vehicle was
5 made available to the consumer.

6 c. Failure to comply with the provisions of this section or
7 section 2 of P.L. , c. (C.) (pending before the Legislature as
8 this bill) constitutes an unlawful practice pursuant to section 2 of
9 P.L.1960, c.39 (C.56:8-2).

10 (cf: P.L.2009, c.324, s.6)

11
12 2. (New section) a. At the time of purchase of a new motor
13 vehicle in the State of New Jersey, a dealer shall provide directly to
14 the buyer a written statement, presented in a conspicuous and
15 understandable manner on a separate piece of paper and printed in
16 both the English and Spanish languages in not less than 10-point
17 boldface type, setting forth the following:

18 “The Magnuson-Moss Warranty Act, 15 U.S.C. s.2301 et seq.,
19 makes it illegal for motor vehicle manufacturers or dealers to void a
20 motor vehicle warranty or deny coverage under the motor vehicle
21 warranty simply because an aftermarket or recycled part was
22 installed or used on the vehicle or simply because someone other
23 than the dealer performed service on the vehicle. It is illegal for a
24 manufacturer or dealer to void your warranty or deny coverage
25 under the warranty simply because you used an aftermarket or
26 recycled part. If it turns out that an aftermarket or recycled part
27 was itself defective or wasn’t installed correctly and it causes
28 damage to another part that is covered under the warranty, the
29 manufacturer or dealer has the right to deny coverage for that part
30 and charge you for any repairs. The Federal Trade Commission
31 requires the manufacturer or dealer to show that the aftermarket or
32 recycled part caused the need for repairs before denying warranty
33 coverage.”

34 b. As used in this section:

35 “Aftermarket part” means a part that was made by a company
36 other than the motor vehicle manufacturer or the original equipment
37 manufacturer.

38 “Recycled part” means a part that was made for and installed in a
39 new motor vehicle by the manufacturer or the original equipment
40 manufacturer and later removed from the motor vehicle and made
41 available for resale or reuse.

42
43 3. This act shall take effect immediately.

STATEMENT

This bill requires a new motor vehicle dealer to provide a purchaser with a written statement summarizing vehicle warranty coverage for aftermarket and recycled parts.

Specifically, the bill requires a dealer to provide a new vehicle buyer with a written statement, on a separate piece of paper and printed in both the English and Spanish languages in not less than 10-point boldface type, that includes the following notice:

“The Magnuson-Moss Warranty Act, 15 U.S.C. s.2301 et seq., makes it illegal for motor vehicle manufacturers or dealers to void a motor vehicle warranty or deny coverage under the motor vehicle warranty simply because an aftermarket or recycled part was installed or used on the vehicle or simply because someone other than the dealer performed service on the vehicle. It is illegal for a manufacturer or dealer to void your warranty or deny coverage under the warranty simply because you used an aftermarket or recycled part. If it turns out that an aftermarket or recycled part was itself defective or wasn’t installed correctly and it causes damage to another part that is covered under the warranty, the manufacturer or dealer has the right to deny coverage for that part and charge you for any repairs. The Federal Trade Commission requires the manufacturer or dealer to show that the aftermarket or recycled part caused the need for repairs before denying warranty coverage.”

The notification requirements are substantively identical to those in the recently enacted Connecticut law, Public Act No. 15-230.

Failure to comply with the notification provisions in this bill would be an unlawful practice under the consumer fraud act, P.L.1960, c.39 (C.56:8-1 et seq.). An unlawful practice is punishable by a monetary penalty of not more than \$10,000 for a first offense and not more than \$20,000 for any subsequent offense. Additionally, a violation can result in cease and desist orders issued by the Attorney General, the assessment of punitive damages, and the awarding of treble damages and costs to the injured party.