

SENATE, No. 1598

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:
Senator JAMES BEACH
District 6 (Burlington and Camden)

SYNOPSIS

Requires dealership to notify buyers of recalls on used motor vehicles for sale.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning recalls on used motor vehicles for sale and
2 supplementing 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. It shall be an unlawful practice pursuant to P.L.1960,
8 c.39 (C.56:8-1 et seq.) for a dealer to sell or transfer a used motor
9 vehicle without first contacting or accessing information provided
10 by the vehicle manufacturer or the National Highway Traffic Safety
11 Administration to determine if there are any outstanding recalls on
12 the specific vehicle which have not been corrected or addressed. In
13 the event that such a recall is discovered, the dealer shall inform a
14 prospective purchaser about the recall, and whether the recall work
15 for that particular vehicle was resolved, if known, prior to finalizing
16 the sale of the used motor vehicle.

17 b. There shall be an irrebuttable presumption that a dealer had
18 no knowledge of the existence of a prior recall on a used motor
19 vehicle if that dealer accessed the National Highway Traffic Safety
20 Administration's Internet website and, after the dealer input the
21 specific vehicle identification number, the website indicated that no
22 open recall existed for the particular used motor vehicle. This
23 subsection shall not:

24 (1) create any legal duty upon a dealer related to the accuracy,
25 errors, or omissions of the National Highway Traffic Safety
26 Administration's website; or

27 (2) require a dealer to provide the prospective purchaser with
28 any recall information that may be added to the National Highway
29 Traffic Safety Administration's Internet website, after the dealer
30 has printed a copy of the recall information and provided it to the
31 prospective purchaser of the used motor vehicle.

32 c. As used in this section, "dealer" means a person who is
33 actively engaged in the business of buying, selling or exchanging
34 new or used motor vehicles at retail. For the purposes of this
35 definition, "at retail" shall not include wholesale sales, sales
36 between dealers, and sales to owners or operators of motor vehicle
37 junk businesses or motor vehicle junk yards, as defined in
38 R.S.39:11-2, or any other persons or entities engaged in the
39 business of dismantling, destroying or recycling motor vehicles.

40
41 2. This act shall take effect on the first day of the seventh
42 month next following the date of enactment.

43
44

45 STATEMENT

46

47 This bill requires a car dealer to provide information to any
48 potential buyer of a used motor vehicle with outstanding recalls.

1 The bill makes it an unlawful practice under P.L.1960, c.39
2 (C.56:8-1 et seq.) for a dealer to sell a used vehicle without first
3 contacting, or accessing information provided by, the vehicle
4 manufacturer or the National Highway Traffic Safety
5 Administration (NHTSA) to determine if there are any recalls on
6 the used vehicle which have not been corrected or addressed. In the
7 event that a recall is discovered, the dealer would inform the
8 prospective purchaser about the recall, and whether the recall work
9 for that particular vehicle was resolved, if known, prior to finalizing
10 the sale of the vehicle.

11 Additionally, the bill provides that there is an irrebuttable
12 presumption that a dealer has no knowledge of the existence of a
13 prior recall on a used vehicle if that dealer accessed the NHTSA
14 website and, after the dealer input the specific vehicle identification
15 number (VIN), the website indicated that no open recall existed for
16 that particular vehicle. This provision would not: (1) create any
17 legal duty upon a dealer related to the accuracy, errors, or omissions
18 of the NHTSA website; or (2) require a dealer to provide the
19 prospective purchaser with any recall information that may be
20 added to the NHTSA website, after the dealer prints a copy of the
21 recall information and provides it to the prospective purchaser of
22 the used vehicle.

23 The bill defines a motor vehicle “dealer” as a person who is
24 actively engaged in the business of buying, selling or exchanging
25 new or used motor vehicles at retail. For the purposes of the bill, “at
26 retail” does not include wholesale sales, sales between dealers, and
27 sales to owners or operators of motor vehicle junk businesses or
28 motor vehicle junk yards, or any other persons or entities engaged
29 in the business of dismantling, destroying, or recycling motor
30 vehicles.