

CHAPTER 37

AN ACT concerning motor vehicle payment assurance devices and supplementing P.L.1960, c.39 (C.56:8-1 et seq.).

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

C.56:8-205 Definitions relative to motor vehicle payment assurance devices.

1. As used in this act:

"Consumer" means a purchaser or lessee of a motor vehicle normally used for personal, family, or household purposes.

"Creditor" means a dealer or lender, or any assignee of a dealer or lender.

"Dealer" means a person who is licensed as a motor vehicle dealer or leasing dealer under R.S.39:10-19 and actively engaged in the business of buying, selling, exchanging, or leasing new or used motor vehicles at retail and who has an established place of business.

"Financing agreement" means an agreement, through a bargained communication or written contract, of an extension of a loan or other line of credit by a lender to a borrower toward the purchase of a motor vehicle.

"Lease agreement" has the same meaning as defined in section 2 of P.L.1988, c.123 (C.56:12-30).

"Lender" means an agent, officer, director, and employee of a lender, or any person who solicits, arranges for, or otherwise participates or assists in the making of loans, or in any way acts as an intermediary between a borrower and a lender in effecting loans related to the sale or lease of a motor vehicle.

"Lessee" has the same meaning as defined in section 2 of P.L.1988, c.123 (C.56:12-30).

"Motor vehicle" has the same meaning as defined in R.S.39:1-1.

"Payment assurance device" means a device installed on a motor vehicle with global positioning system capability, starter interrupt capability allowing for the remote enabling or disabling of the motor vehicle, or both, and which is installed pursuant to a motor vehicle consumer's financing agreement or lease agreement.

C.56:8-206 Installation of payment assurance device on motor vehicle.

2. a. No person other than a creditor may install or have installed a payment assurance device on a motor vehicle.

b. A creditor may install or have installed a payment assurance device on a motor vehicle only if:

(1) Prior to or at the time the motor vehicle is purchased or leased, the creditor provides, and the consumer acknowledges in writing the receipt of, written notification of the installation of the payment assurance device, which shall include, but is not limited to, a statement in at least 10-point boldface type indicating that the motor vehicle is equipped with a device that the creditor can use to remotely disable the vehicle, advising the consumer of the grace period and warning provided for in paragraphs (3) and (4) of this subsection, and identifying the name, address, and a telephone number of the creditor;

(2) The consumer is not billed or charged a fee for the installation of the device;

(3) The creditor or an agent thereof does not remotely disable the motor vehicle until the consumer is in default on any term under the financing agreement or lease agreement, including but not limited to the periodic payment due on the purchase or lease, for five or more calendar days on a financing agreement or lease agreement whose terms call for at least one weekly payment or for 10 or more calendar days on any other financing agreement or lease agreement;

(4) The consumer is provided a warning no less than 72 hours before the motor vehicle is disabled remotely, and the warning is transmitted by the creditor through at least two modes of communication, such as by email, mail, telephone, text message, or through the payment assurance device or motor vehicle, provided that the warning method shall not violate any applicable State or federal law;

(5) The payment assurance device cannot remotely disable the motor vehicle while it is being operated; and

(6) The consumer in default is provided with the ability to start a remotely disabled motor vehicle and use it for a period of at least 48 hours.

c. A violation of the provisions of subsection a. of this section by a creditor is an unlawful practice and a violation of P.L.1960, c.39 (C.56:8-1 et seq.).

3. This act shall take effect on the first day of the fourth month next following enactment.

Approved March 22, 2017.