



(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** Yes

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

RWH/JA

P.L. 2019, CHAPTER 280, *approved January 9, 2020*  
Senate, No. 1712 (*First Reprint*)

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**<sup>1</sup> and<sup>1</sup>

29 (3) any other provisions of P.L.1988, c.123 (C.56:12-29 et seq.)  
30 the director deems appropriate<sup>1</sup>; **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)<sup>1</sup>.

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

**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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SCM committee amendments adopted February 7, 2019.

1 performed on the vehicle and provides information including, but  
2 not limited to, the following: a general description of the problem  
3 reported by the consumer or an identification of the problem  
4 reported by the consumer or an identification of the defect or  
5 condition and the source of the defect; the amount charged for parts  
6 and the amount charged for labor, if paid for by the consumer; the  
7 date and the odometer reading when the vehicle was submitted for  
8 repair; and the date and odometer reading when the vehicle was  
9 made available to the consumer.

10 c. Failure to comply with the provisions of this section <sup>1</sup>or  
11 section 2 of P.L. , c. (C. ) (pending before the Legislature as  
12 this bill)]<sup>1</sup> constitutes an unlawful practice pursuant to section 2 of  
13 P.L.1960, c.39 (C.56:8-2). <sup>1</sup>The provisions of this subsection shall  
14 not apply to any dealer who fails to comply with provisions of this  
15 section.<sup>1</sup>

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

17

18 2. (New section) a. <sup>1</sup>At the time of Within 90 days after  
19 the<sup>1</sup> purchase <sup>1</sup>or lease<sup>1</sup> of a new motor vehicle in the State of New  
20 Jersey, <sup>1</sup>a dealer<sup>1</sup> the motor vehicle manufacturer, distributor, or  
21 factory branch<sup>1</sup> shall <sup>1</sup>provide directly<sup>1</sup> mail<sup>1</sup> to the buyer <sup>1</sup>or  
22 lessee<sup>1</sup> a written statement, presented in a conspicuous and  
23 understandable manner <sup>1</sup>on a separate piece of paper<sup>1</sup> and printed  
24 in both the English and Spanish languages in not less than 10-point  
25 boldface type, <sup>1</sup>and provide a written statement in the vehicle  
26 manufacturer's owner's manual, that provides<sup>1</sup> the following:

27 “The Magnuson-Moss Warranty Act, 15 U.S.C. s.2301 et seq.,  
28 makes it illegal for motor vehicle manufacturers <sup>1</sup>or dealers<sup>1</sup><sup>1</sup>  
29 to void a motor vehicle warranty or deny <sup>1</sup>warranty<sup>1</sup> coverage <sup>1</sup>under  
30 the motor vehicle warranty simply<sup>1</sup> solely<sup>1</sup> because an aftermarket  
31 or recycled part <sup>1</sup>was installed or<sup>1</sup> has been<sup>1</sup> used <sup>1</sup>on<sup>1</sup> to repair<sup>1</sup>  
32 the vehicle or <sup>1</sup>simply because<sup>1</sup> someone other than the <sup>1</sup>dealer<sup>1</sup>  
33 authorized service provider<sup>1</sup> performed service on the vehicle. <sup>1</sup>It  
34 is illegal for a manufacturer or dealer to void your warranty or deny  
35 coverage under the warranty simply because you used an  
36 aftermarket or recycled part. If it turns out that an aftermarket or  
37 recycled part was itself defective or wasn't installed correctly and it  
38 causes damage to another part that is covered under the warranty,  
39 the manufacturer or dealer has the right to deny coverage for that  
40 part and charge you for any repairs. The Federal Trade  
41 Commission requires the manufacturer or dealer to show that the  
42 aftermarket or recycled part caused the need for repairs before  
43 denying warranty coverage<sup>1</sup> This provision does not apply to a new  
44 motor vehicle purchased solely for commercial or industrial use.

45 “Under federal law, a manufacturer may deny warranty coverage  
46 and charge for repairs to a vehicle if it is discovered that an

1 aftermarket or recycled part installed on the vehicle is defective or  
2 was installed incorrectly and caused damage to another part of the  
3 vehicle otherwise covered under warranty. The Federal Trade  
4 Commission requires that a manufacturer demonstrate that an  
5 aftermarket or recycled part or service performed by a person other  
6 than an authorized service provider caused damage to another part  
7 of the vehicle otherwise covered under warranty before denying  
8 warranty coverage. Additionally, federal law allows a manufacturer  
9 to void a motor vehicle warranty or deny warranty coverage if the  
10 manufacturer provides the article or service to consumers free of  
11 charge under the warranty or the manufacturer has secured a waiver  
12 from the Federal Trade Commission<sup>1</sup>.”

13 b. <sup>1</sup>Failure to comply with the provisions of this section  
14 constitutes an unlawful practice pursuant to section 2 of P.L.1960,  
15 c.39 (C.56:8-2).

16 c.<sup>1</sup> As used in this section:

17 “Aftermarket part” means a part that was made by a company  
18 other than the motor vehicle manufacturer or the original equipment  
19 manufacturer.

20 “Recycled part” means a part that was made for and installed in a  
21 new motor vehicle by the manufacturer or the original equipment  
22 manufacturer and later removed from the motor vehicle and made  
23 available for resale or reuse.

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25 3. This act shall take effect immediately.

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29  
30 Requires consumer notification of vehicle warranty for  
31 aftermarket and recycled parts.

**SENATE, No. 1712**

**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

INTRODUCED FEBRUARY 5, 2018

**Sponsored by:**

**Senator JAMES BEACH**

**District 6 (Burlington and Camden)**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As introduced.



S1712 BEACH

2

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:

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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

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**Matter underlined thus is new matter.**

S1712 BEACH

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, 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.

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43 3. This act shall take effect immediately.



STATEMENT

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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, with 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.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

**SENATE, No. 1712**

# **STATE OF NEW JERSEY**

DATED: NOVEMBER 14, 2019

The Assembly Appropriations Committee reports favorably Senate Bill No. 1712 (1R).

This bill requires motor vehicle manufacturers, distributors, and factory branches to provide a purchaser with a written statement summarizing vehicle warranty coverage for aftermarket and recycled parts.

Specifically, the bill requires manufacturers, distributors, and factory branches to provide a new vehicle buyer or lessee, within 90 days after that purchase or lease, 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, and provide a written statement in the vehicle manufacturer's owner's manual, that provides the following:

“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 warranty coverage solely because an aftermarket or recycled part has been used to repair the vehicle or someone other than the authorized service provider performed service on the vehicle. This provision does not apply to a new motor vehicle purchased solely for commercial or industrial use.

“Under federal law, a manufacturer may deny warranty coverage and charge for repairs to a vehicle if it is discovered that an aftermarket or recycled part installed on the vehicle is defective or was installed incorrectly and caused damage to another part of the vehicle otherwise covered under warranty. The Federal Trade Commission requires that a manufacturer demonstrate that an aftermarket or recycled part or service performed by a person other than an authorized service provider caused damage to another part of the vehicle otherwise covered under warranty before denying warranty coverage. Additionally, federal law allows a manufacturer to void a motor vehicle warranty or deny warranty coverage if the manufacturer provides the article or service to consumers free of charge under the warranty or the manufacturer has secured a waiver from the Federal Trade Commission.”

Failure to comply with the notification provisions in this bill is 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.

As reported, this bill is identical to Assembly Bill No. 5225, as also reported by the committee on the date.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

# SENATE COMMERCE COMMITTEE

## STATEMENT TO

### SENATE, No. 1712

with committee amendments

# STATE OF NEW JERSEY

DATED: FEBRUARY 7, 2019

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 1712.

As amended, this bill requires new motor vehicle manufacturers, distributors, and factory branches to provide a purchaser with a written statement summarizing vehicle warranty coverage for aftermarket and recycled parts.

Specifically, the bill requires manufacturers, distributors, and factory branches to provide a new vehicle buyer or lessee, within 90 days after that purchase or lease, 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, and provide a written statement in the vehicle manufacturer's owner's manual, that provides the following:

“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 warranty coverage solely because an aftermarket or recycled part has been used to repair the vehicle or someone other than the authorized service provider performed service on the vehicle. This provision does not apply to a new motor vehicle purchased solely for commercial or industrial use.

“Under federal law, a manufacturer may deny warranty coverage and charge for repairs to a vehicle if it is discovered that an aftermarket or recycled part installed on the vehicle is defective or was installed incorrectly and caused damage to another part of the vehicle otherwise covered under warranty. The Federal Trade Commission requires that a manufacturer demonstrate that an aftermarket or recycled part or service performed by a person other than an authorized service provider caused damage to another part of the vehicle otherwise covered under warranty before denying warranty coverage. Additionally, federal law allows a manufacturer to void a motor vehicle warranty or deny warranty coverage if the manufacturer provides the article or service to consumers free of charge under the warranty or the manufacturer has secured a waiver from the Federal Trade Commission.”

Failure to comply with the notification provisions in this bill is 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.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) Provide that certain notification provisions required for motor vehicle manufacturers under current law do not apply to dealers of motor vehicles.

(2) Require motor vehicle manufacturers, distributors, and factory branches, instead of dealers, to provide purchasers and lessees of new motor vehicles with a written statement summarizing vehicle warranty coverage for aftermarket and recycled parts.

(3) Change the time when the statement must be provided, to allow it to be provided within 90 days after the purchase or lease, rather than at the time of purchase or lease of the new motor vehicle.

(4) Make certain changes to the specific language required to be provided by motor vehicle manufacturers, distributors, and factory branches to purchasers of new motor vehicles.

# ASSEMBLY, No. 5225

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MARCH 25, 2019

**Sponsored by:**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Burlington and Camden)**

**Assemblywoman ANNETTE CHAPARRO**

**District 33 (Hudson)**

**Assemblyman ERIC HOUGHTALING**

**District 11 (Monmouth)**

**Co-Sponsored by:**

**Assemblywoman Mosquera**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 11/26/2019)**

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2 supplementing P.L.1988, c.123.

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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.

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

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**Matter underlined thus is new matter.**

1 repair; and the date and odometer reading when the vehicle was  
2 made available to the consumer.

3 c. Failure to comply with the provisions of this section  
4 constitutes an unlawful practice pursuant to section 2 of P.L.1960,  
5 c.39 (C.56:8-2). The provisions of this subsection shall not apply to  
6 any dealer who fails to comply with provisions of this section.  
7 (cf: P.L.2009, c.324, s.6)

8  
9 2. (New section) a. Within 90 days after the purchase or lease  
10 of a new motor vehicle in the State of New Jersey, the motor vehicle  
11 manufacturer, distributor, or factory branch shall mail to the buyer or  
12 lessee a written statement, presented in a conspicuous and  
13 understandable manner and printed in both the English and Spanish  
14 languages in not less than 10-point boldface type, and provide a  
15 written statement in the vehicle manufacturer's owner's manual, that  
16 provides the following:

17 "The Magnuson-Moss Warranty Act, 15 U.S.C. s.2301 et seq.,  
18 makes it illegal for motor vehicle manufacturers to void a motor  
19 vehicle warranty or deny warranty coverage solely because an  
20 aftermarket or recycled part has been used to repair the vehicle or  
21 someone other than the authorized service provider performed  
22 service on the vehicle. This provision does not apply to a new motor  
23 vehicle purchased solely for commercial or industrial use.

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27 installed incorrectly and caused damage to another part of the vehicle  
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33 coverage. Additionally, federal law allows a manufacturer to void a  
34 motor vehicle warranty or deny warranty coverage if the manufacturer  
35 provides the article or service to consumers free of charge under the  
36 warranty or the manufacturer has secured a waiver from the Federal  
37 Trade Commission."

38 b. Failure to comply with the provisions of this section constitutes  
39 an unlawful practice pursuant to section 2 of P.L.1960, c.39 (C.56:8-  
40 2).

41 c. As used in this section:

42 "Aftermarket part" means a part that was made by a company  
43 other than the motor vehicle manufacturer or the original equipment  
44 manufacturer.

45 "Recycled part" means a part that was made for and installed in a  
46 new motor vehicle by the manufacturer or the original equipment  
47 manufacturer and later removed from the motor vehicle and made  
48 available for resale or reuse.



1       3. This act shall take effect immediately.

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STATEMENT

5

6       This bill requires new motor vehicle manufacturers, distributors,  
7 and factory branches to provide a purchaser with a written  
8 statement summarizing vehicle warranty coverage for aftermarket  
9 and recycled parts.

10       Specifically, the bill requires manufacturers, distributors, and  
11 factory branches to provide a new vehicle buyer or lessee, within 90  
12 days after that purchase or lease, with a written statement, on a  
13 separate piece of paper and printed in both the English and Spanish  
14 languages in not less than 10-point boldface type, and provide a  
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30 aftermarket or recycled part or service performed by a person other  
31 than an authorized service provider caused damage to another part  
32 of the vehicle otherwise covered under warranty before denying  
33 warranty coverage. Additionally, federal law allows a manufacturer  
34 to void a motor vehicle warranty or deny warranty coverage if the  
35 manufacturer provides the article or service to consumers free of  
36 charge under the warranty or the manufacturer has secured a waiver  
37 from the Federal Trade Commission."

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

# ASSEMBLY CONSUMER AFFAIRS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 5225

# STATE OF NEW JERSEY

DATED: JUNE 17, 2019

The Assembly Consumer Affairs Committee reports favorably Assembly Bill No. 5225.

As reported by the committee, Assembly Bill No. 5225 requires new motor vehicle manufacturers, distributors, and factory branches to provide a purchaser with a written statement summarizing vehicle warranty coverage for aftermarket and recycled parts.

Specifically, this bill requires manufacturers, distributors, and factory branches to provide a new vehicle buyer or lessee, within 90 days after that purchase or lease, 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, and provide a written statement in the vehicle manufacturer's owner's manual, that provides the following:

“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 warranty coverage solely because an aftermarket or recycled part has been used to repair the vehicle or someone other than the authorized service provider performed service on the vehicle. This provision does not apply to a new motor vehicle purchased solely for commercial or industrial use.

“Under federal law, a manufacturer may deny warranty coverage and charge for repairs to a vehicle if it is discovered that an aftermarket or recycled part installed on the vehicle is defective or was installed incorrectly and caused damage to another part of the vehicle otherwise covered under warranty. The Federal Trade Commission requires that a manufacturer demonstrate that an aftermarket or recycled part or service performed by a person other than an authorized service provider caused damage to another part of the vehicle otherwise covered under warranty before denying warranty coverage. Additionally, federal law allows a manufacturer to void a motor vehicle warranty or deny warranty coverage if the manufacturer provides the article or service to consumers free of charge under the warranty or the manufacturer has secured a waiver from the Federal Trade Commission.”

Failure to comply with the notification provisions in this bill is 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

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