

56:8-67.1

LEGISLATIVE HISTORY CHECKLIST
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(Exempts certain motor vehicles
from lemon law)

NJSA: 56:8-67.1

LAWS OF: 1997 **CHAPTER:** 22

BILL NO: S1006

SPONSOR(S): Cardinale

DATE INTRODUCED: March 21, 1996

COMMITTEE: **ASSEMBLY:** Consumer Affairs
SENATE: Commerce

AMENDED DURING PASSAGE: Yes Amendments during passage denoted by
First reprint enacted superscript numbers

DATE OF PASSAGE: **ASSEMBLY:** January 29, 1997
SENATE: May 30, 1996

DATE OF APPROVAL: February 27, 1997

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBP:pp

P.L. 1997, CHAPTER 22, *approved February 27, 1997*
Senate, No. 1006 (*First Reprint*)

1 AN ACT concerning certain motor vehicles and amending ¹and
2 supplementing¹ P.L.1995, c.373.

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 1 of P.L.1995, c.373 (C.56:8-67) is amended to read as
8 follows:

9 1. As used in this act:

10 "As is" means a used motor vehicle sold by a dealer to a consumer
11 without any warranty, either express or implied, and with the
12 consumer being solely responsible for the cost of any repairs to that
13 motor vehicle.

14 "Consumer" means the purchaser or prospective purchaser, other
15 than for the purpose of resale, of a used motor vehicle normally used
16 for personal, family or household purposes.

17 "Covered item" means and includes the following components of a
18 used motor vehicle: Engine - all internal lubricated parts, timing
19 chains, gears and cover, timing belt, pulleys and cover, oil pump and
20 gears, water pump, valve covers, oil pan, manifolds, flywheel,
21 harmonic balancer, engine mounts, seals and gaskets, and
22 turbo-charger housing; however, housing, engine block and cylinder
23 heads are covered items only if damaged by the failure of an internal
24 lubricated part. Transmission Automatic/Transfer Case - all internal
25 lubricated parts, torque converter, vacuum modulator, transmission
26 mounts, seals and gaskets. Transmission Manual/Transfer Case - all
27 internal lubricated parts, transmission mounts, seals and gaskets, but
28 excluding a manual clutch, pressure plate, throw-out bearings, clutch
29 master or slave cylinders. Front-Wheel Drive - all internal lubricated
30 parts, axle shafts, constant velocity joints, front hub bearings, seals and
31 gaskets, Rear-Wheel Drive - all internal lubricated parts, propeller

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SCM committee amendments adopted May 2, 1996.

1 shafts, supports and U-joints, axle shafts and bearings, seals and
2 gaskets.

3 "Dealer" means any person or business which sells or offers for sale
4 a used motor vehicle after selling or offering for sale three or more
5 used motor vehicles in the previous 12-month period.

6 "Deduction for personal use" means the mileage allowance set by
7 the federal Internal Revenue Service for business usage of a motor
8 vehicle in effect on the date a used motor vehicle is repurchased by a
9 dealer in accordance with section 5 of this act, multiplied by the total
10 number of miles a used motor vehicle is driven by a consumer from the
11 date of purchase of that vehicle until the time of its repurchase.

12 "Director" means the Director of the Division of Consumer Affairs
13 in the Department of Law and Public Safety.

14 "Excessive wear and tear" means wear or damage to a used motor
15 vehicle beyond that expected to be incurred in normal circumstances.

16 "Material defect" means a malfunction of a used motor vehicle,
17 subject to a warranty, which substantially impairs its use, value or
18 safety.

19 "Repair insurance" means a contract in writing to refund, repair,
20 replace, maintain or take other action with respect to a used motor
21 vehicle for any period of time or any specified mileage and provided
22 at an extra charge beyond the price of the used motor vehicle.

23 "Service contract" means a contract in writing to refund, repair,
24 replace, maintain or take other action with respect to a used motor
25 vehicle for any period of time or any specific mileage or provided at
26 an extra charge beyond the price of the used motor vehicle.

27 "Used motor vehicle" means a passenger motor vehicle, excluding
28 motorcycles, motor homes and off-road vehicles, title to, or possession
29 of which has been transferred from the person who first acquired it
30 from the manufacturer or dealer, and so used as to become what is
31 commonly known as "secondhand," within the ordinary meaning
32 thereof but does not mean a passenger motor vehicle, subject to a
33 motor vehicle lease agreement¹ which was in effect for more than 90
34 days¹, which is sold by the lessor to the lessee, or to a family member
35 or employee of the lessee upon the termination of the lease agreement.

36 "Warranty" means any undertaking, in writing and in connection
37 with the sale by a dealer of a used motor vehicle, to refund, repair,
38 replace, maintain or take other action with respect to the used motor
39 vehicle, and which is provided at no extra charge beyond the price of
40 the used motor vehicle.

41 (cf: P.L.1995, c.373, s.1)

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43 ¹2. (New section) A lessor who is a dealer and who sells or offers
44 for sale a used passenger motor vehicle, subject to a motor vehicle
45 lease agreement which was in effect for more than 90 days, to a
46 consumer who is not the lessee, or a family member or employee of

1 the lessee upon the termination of the lease agreement, shall be subject
2 to the provisions of P.L. 1995, c. 373 (C. 56:8-67 et seq.) including
3 the bonding requirement of section 11 of that act (C.56:11-77).¹
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5 **'[2.] 3.'** This act shall take effect immediately.
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9 _____
10 Exempts certain leased vehicles from "lemon law" for used motor
11 vehicles.

1 a used motor vehicle after selling or offering for sale three or more
2 used motor vehicles in the previous 12-month period.

3 "Deduction for personal use" means the mileage allowance set by
4 the federal Internal Revenue Service for business usage of a motor
5 vehicle in effect on the date a used motor vehicle is repurchased by a
6 dealer in accordance with section 5 of this act, multiplied by the total
7 number of miles a used motor vehicle is driven by a consumer from the
8 date of purchase of that vehicle until the time of its repurchase.

9 "Director" means the Director of the Division of Consumer Affairs
10 in the Department of Law and Public Safety.

11 "Excessive wear and tear" means wear or damage to a used motor
12 vehicle beyond that expected to be incurred in normal circumstances.

13 "Material defect" means a malfunction of a used motor vehicle,
14 subject to a warranty, which substantially impairs its use, value or
15 safety.

16 "Repair insurance" means a contract in writing to refund, repair,
17 replace, maintain or take other action with respect to a used motor
18 vehicle for any period of time or any specified mileage and provided
19 at an extra charge beyond the price of the used motor vehicle.

20 "Service contract" means a contract in writing to refund, repair,
21 replace, maintain or take other action with respect to a used motor
22 vehicle for any period of time or any specific mileage or provided at
23 an extra charge beyond the price of the used motor vehicle.

24 "Used motor vehicle" means a passenger motor vehicle, excluding
25 motorcycles, motor homes and off-road vehicles, title to, or possession
26 of which has been transferred from the person who first acquired it
27 from the manufacturer or dealer, and so used as to become what is
28 commonly known as "secondhand," within the ordinary meaning
29 thereof but does not mean a passenger motor vehicle, subject to a
30 motor vehicle lease agreement, which is sold by the lessor to the
31 lessee, or to a family member or employee of the lessee upon the
32 termination of the lease agreement.

33 "Warranty" means any undertaking, in writing and in connection
34 with the sale by a dealer of a used motor vehicle, to refund, repair,
35 replace, maintain or take other action with respect to the used motor
36 vehicle, and which is provided at no extra charge beyond the price of
37 the used motor vehicle.

38 (cf: P.L.1995, c.373, s.1)

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40 2. This act shall take effect immediately.

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STATEMENT

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45 This bill exempts from the provisions of P.L.1995, c.373 (C.56:8-
46 67 et seq.) any passenger motor vehicle, subject to a motor vehicle

1 lease agreement, which is sold by the lessor to the lessee, or to a
2 family member or employee of the lessee upon the termination of the
3 lease agreement. P.L.1995, c.373 is commonly known as the "lemon
4 law" for used motor vehicles.

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9 Exempts certain leased vehicles from "lemon law" for used motor
10 vehicles.

ASSEMBLY CONSUMER AFFAIRS AND REGULATED
PROFESSIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1006

STATE OF NEW JERSEY

DATED: AUGUST 15, 1996

The Assembly Consumer Affairs and Regulated Professions Committee reports favorably Senate Bill No. 1006 (1R).

This bill exempts from the provisions of P.L.1995, c.373 (C.56:8-67 et seq.) any passenger motor vehicle, subject to a motor vehicle lease agreement which was in effect for more than 90 days, which is sold by the lessor to the lessee, or to a family member or employee of the lessee upon the termination of the lease agreement. P.L.1995, c.373 is commonly known as the "lemon law" for used motor vehicles. The bill also specifies that any lessor who sells a formerly leased passenger motor vehicle to a consumer other than any of the above mentioned parties would be required to comply with the "lemon law" for used motor vehicles, including the bonding requirement of that law.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1006

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 2, 1996

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 1006.

This bill, as amended, exempts from the provisions of P.L.1995, c.373 (C.56:8-67 et seq.) any passenger motor vehicle, subject to a motor vehicle lease agreement which was in effect for more than 90 days, which is sold by the lessor to the lessee, or to a family member or employee of the lessee upon the termination of the lease agreement. P.L.1995, c.373 is commonly known as the "lemon law" for used motor vehicles.

The committee amended the bill to specify that any lessor who sells a formerly leased passenger motor vehicle to a consumer other than any of the above mentioned parties would be required to comply with the "lemon law" for used motor vehicles including the bonding requirement of that law.