

ASSEMBLY, No. 4519

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED SEPTEMBER 22, 2022

Sponsored by:

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

Assemblyman JOE DANIELSEN

District 17 (Middlesex and Somerset)

Assemblyman KEVIN J. ROONEY

District 40 (Bergen, Essex, Morris and Passaic)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

SYNOPSIS

Prohibits motor vehicle manufacturer or dealer from requiring subscription for certain motor vehicle features.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/5/2022)

1 AN ACT concerning motor vehicles subscriptions and
2 supplementing Title 56 of the Revised Statutes.

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

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7 1. a. It shall be an unlawful practice and a violation of
8 P.L.1960, c.39 (C.56:8-1 et seq.) for a motor vehicle dealer or a
9 manufacturer of motor vehicles sold or leased in this State to offer
10 to a consumer a subscription service for any motor vehicle feature
11 that:

12 (1) utilizes components and hardware already installed on the
13 motor vehicle at the time of purchase or lease by the consumer; and

14 (2) would function after activation without ongoing expense to
15 the dealer, manufacturer, or any third-party service provider.

16 b. As used in this section:

17 “Manufacturer” means a person or business engaged in the
18 manufacturing or assembling of new motor vehicles.

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

20 “Motor vehicle dealer” means any business that engages in the
21 selling or leasing of new or used motor vehicles to consumers.

22 “Motor vehicle feature” means any convenience or safety
23 function included on the motor vehicle, such as heated seats or
24 driver assistance that typically is offered to a consumer as an
25 upgrade at the time of purchase or lease of the motor vehicle.

26 “Subscription service” means a service provided on a
27 subscription basis in exchange for a recurring payment, including,
28 but not limited to, a weekly, monthly, or annual payment charged to
29 and made by a consumer.

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31 2. This act shall take effect immediately.

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STATEMENT

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36 This bill prohibits a motor vehicle dealer or manufacturer of
37 motor vehicles sold in this State from offering to a consumer a
38 subscription service for any motor vehicle feature that (1) utilizes
39 components and hardware already installed on the motor vehicle at
40 the time of the vehicle’s purchase or lease; and (2) would function
41 after activation without ongoing expense to the dealer,
42 manufacturer, or third-party service provider. The provisions of
43 this bill do not apply to any third-party service provider that offers
44 features such as satellite radio or in-car Wi-Fi.

45 The bill defines “motor vehicle feature” to mean any
46 convenience or safety function included on the motor vehicle, such
47 as heated seats or driver assistance that typically is offered to a
48 consumer as an upgrade at the time of purchase or lease of the

1 motor vehicle. In addition, the bill defines “subscription service” to
2 mean a service provided on a subscription basis in exchange for a
3 recurring payment, including, but not limited to, a weekly, monthly,
4 or annual payment charged to and made by a consumer.

5 A violation of the bill’s provisions is an unlawful practice under
6 the consumer fraud act punishable by a monetary penalty of not
7 more than \$10,000 for a first offense and not more than \$20,000 for
8 any subsequent offense. In addition, violations may result in cease
9 and desist orders issued by the Attorney General, the assessment of
10 punitive damages, and the awarding of treble damages and costs to
11 the injured party.

12 The sponsor notes that car companies are increasingly seeking to
13 charge consumers a subscription fee to access certain features on
14 their vehicles, such as heated seats, even though the components
15 necessary for the feature to function are already installed on the
16 vehicle at the time of sale. When a consumer subscribes to the
17 feature, the car company uses software to remotely activate the
18 feature during the subscription period. Car companies assert that a
19 subscription-based business model would provide more choice to
20 the consumer, but the practice requires installing all of the
21 necessary components and hardware on the vehicle before the
22 consumer decides to subscribe to the feature, which will likely raise
23 the purchase price for every consumer, whether they intend to
24 subscribe to the feature or not. The sponsor asserts that during this
25 time of rising consumer prices, it is important to guard against
26 business practices that primarily serve to increase corporate profits.