



Phyllis Salowe-Kaye
Executive Director

August 24, 2018

Honorable Craig Coughlin
Speaker of the Assembly
New Jersey State Legislature
State Capitol
Trenton, New Jersey

Re: A4292 OPPOSITION

Dear Speaker Coughlin:

On behalf of the organizations, which have signed this letter, and which together represent hundreds of thousands of New Jersey citizens, we write to express our strong opposition to passage of A4292, a special-interest bill backed by auto dealers that would weaken existing protections under New Jersey state laws against hazardous vehicles with unrepaired safety or emissions recalls.

As the New Jersey State Bar Association has stated, this measure and the Senate companion bill, S2740, are “not really consumer protection bill[s]” and “should those measures become law, New Jersey consumers will be afforded less protection and little recourse when confronted with fraudulent business practices.”

This measure is similar to legislation that has been rejected in other states, including Maryland, New York, California, and Virginia, and that failed to pass in New Jersey in 2015, due to serious concerns about the increased risk to public safety. Because it would make New Jersey’s laws weaker than the laws in other states, they would make New Jersey into a dumping ground for unsafe recalled cars and vehicles that fail to comply with emissions standards.

While this measure purports to be a “disclosure” bill, in reality it would insulate car dealers from liability for engaging in fraud involving the sales of vehicles that pose a direct and immediate threat to public health and safety. The legislation jeopardizes the lives of not only the purchasers and their families, but also others who share the roads or are adversely impacted increased harmful environmental impacts.

The provisions in the bill, which severely limit attorneys’ fees, would make it too expensive and risky for victims and their attorneys to hold dealers accountable who violate its provisions. It would make it more difficult for the Attorney General to address harmful frauds involving the sales of recalled vehicles. Thus, it would give car dealers, among the top source of complaints to the Better Business Bureau and to state and local consumer protection agencies, nationwide, a special carve-out. This is indefensible.

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With unclear guidelines for delivery and a specific timeline for notification, A4292 would enable unscrupulous car dealers to get away with committing fraud. Customers are not likely to see notification forms mixed in a stack of documents after they have been on a car lot for hours, chosen a vehicle, and negotiated a price. The legislation does not require an effective foolproof form of disclosure throughout the purchase process. It therefore opens the door for deception regarding the status of a recall.

The bill would also make it easy for unscrupulous car dealers to steer target vulnerable consumers toward buying vehicles that are hazardous or fail to comply with emissions standards. Anyone who is not familiar with the safety recall system, too often minorities, seniors, teenagers buying their first cars, and recent immigrants who are not proficient in English, would be particularly vulnerable to targeting by dealers who want to get the recalled cars off their lots quickly.

Current New Jersey law protects consumers from fraud and protects consumers by requiring dealers to give customers all information relevant to the safety of cars they sell that they know, and which they should know. The vague and unclear disclosure process called for in the bill, combined with limiting attorneys' fees, which makes lawsuits unaffordable to consumers, weakens the strong current provisions in the New Jersey Lemon Law and the Consumer Fraud Act.

The bottom line is that, this legislation poses a serious threat to the health and safety of all citizens of New Jersey, and we strongly urge its defeat. Thank you for your consideration of our views. Should you or your staff have any questions regarding our position, please do not hesitate to contact us directly.

Sincerely,

New Jersey Citizen Action
American Federation of Teachers, Local 2274 Ramapo College of New Jersey
Environment New Jersey
Ironbound Community Corporation
La Casa de Don Pedro
NAACP - New Jersey
New Jersey Tenants Organization
The Latino Action Network