

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

**ASSEMBLY, No. 2019**

# **STATE OF NEW JERSEY**

DATED: DECEMBER 18, 2023

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2019 (1R).

This bill requires an official motor vehicle inspection facility or licensed private inspection facility to provide written notice to the owner of a motor vehicle being inspected of all open recalls applicable to the motor vehicle at the time the motor vehicle is inspected. The recall notice is to include a description of each open recall and a statement that each open recall may be repaired by certain motor vehicle dealers at no cost to the owner, except in certain circumstances.

The bill requires the New Jersey Motor Vehicle Commission (commission) to provide written notice to the owner of a motor vehicle, at the time a vehicle is registered or upon mailing a motor vehicle's registration renewal notice, of all open recalls applicable to the motor vehicle. The recall notice is to include a description of each open recall; a statement that each open recall may be repaired by certain motor vehicle dealers at no cost to the owner, except in certain circumstances; and a statement that, except in certain circumstances, the commission will not issue a registration certificate for the motor vehicle until each open recall is repaired.

Under the bill, the owner is required to obtain the necessary repairs before the motor vehicle's next registration renewal. The Chief Administrator of the commission is required to deny an application for registration renewal if the open recalls have not been remedied by the next registration renewal.

The chief administrator is required to extend for six-month intervals, the registration of a motor vehicle subject to an open recall if the parts or equipment needed to repair the open recall are unavailable. The chief administrator may also extend the registration of a motor vehicle subject to an open recall for one six-month period, if the owner of the motor vehicle fails to make the required repairs due to circumstances beyond the control of the owner or due to undue hardship.

Nothing in the bill is to alter the liability under common law of any motor vehicle manufacturer or motor vehicle dealer approved by a manufacturer to repair an open recall. The bill limits the

liability of certain individuals for acts or omissions related to open recall notices provided pursuant to the provisions of the bill, except in cases of gross negligence.

Under the bill, “open recall” means a safety recall applicable to a specific motor vehicle, according to information made available by the National Highway Traffic Safety Administration, that has not been repaired.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the New Jersey Motor Vehicle Commission will experience offsetting annual expenditure and revenue increases associated with the implementation of this bill.

Specifically, the commission will incur an indeterminate increase in annual expenditures to provide notice of open recalls to owners of motor vehicles that are being inspected or registered. The OLS is unable to quantify the increase in State costs because it is unclear whether the commission will need to hire additional staff or make changes to its computer programming or technology to check information provided by the National Highway Traffic Safety Administration concerning open recalls and to provide written notice of such recalls. The National Highway Traffic Safety Administration maintains a website that allows a person to search for open recalls by submitting a motor vehicle’s vehicle identification number; this should help to limit any costs to the commission for checking information concerning open recalls and providing notice of those recalls.

Additionally, the OLS estimates that the bill will result in increased annual revenues for the commission associated with the required fee collections from all motor vehicle manufacturers that conduct business in the State. These revenues are expected to offset any associated expenditure increases due to requirement for the fee amount to be determined based on documentation of the actual costs incurred by the commission associated with the implementation of this bill.