

June 18, 2024

The Honorable Patrick J. Diegnan Jr., Chair The Honorable Raj Mukherji, Vice-Chair Senate Transportation Committee New Jersey Legislature State House Annex Trenton, New Jersey 08608

Dear Chair Diegnan and Vice-Chair Mukherji:

Advocates for Highway and Auto Safety (Advocates), an alliance of consumer, safety, medical, public health and law enforcement groups and insurance companies working together to pass highway and auto safety laws that prevent crashes, save lives, reduce injuries, and contain costs, opposes Senate Bill (S.) 3309/Assembly Bill (A.) 4380. This legislation includes a provision to allow dealers to sell used cars subject to an open safety recall by merely notifying the customer at the time of sale about the unrepaired defect instead of fixing it. We urge you to oppose this legislation.

The timing of S. 3309/A. 4380 is especially egregious considering the serious scope of recalls across the nation. According to the National Highway Traffic Safety Administration (NHTSA), from 2003-2023 over 750 million vehicles in the U.S. have been subject to a safety recall.<sup>i</sup> In 2023 alone, there were 1,000 safety recalls affecting nearly 40 million vehicles.<sup>ii</sup>

Consumers deserve much more than a perfunctory notification that the vehicle they are purchasing has a serious and potentially deadly safety defect, such as unrepaired components for steering, braking or air bags. Federal law currently prohibits automobile dealers from selling new vehicles that are subject to a federal safety defect recall until they are repaired. In addition, Congress prohibited rental cars with an open recall from being given to a consumer as part of the transportation authorization bill enacted in December 2015.<sup>iii</sup> S. 3309/A. 4380 flies in the face of the intent of these two consumer protection laws and would permit dealers in New Jersey to needlessly endanger its citizens by shifting responsibility to fix the recall from the dealer to an unsuspecting consumer.

If enacted, this legislation would be a serious step backward in consumer safety protections in New Jersey. It targets consumers at a vulnerable point, often after lengthy and serious consideration and negotiation toward the purchase of a used vehicle. Moreover, a significant amount of paperwork is associated with the vehicle-purchasing process, and consequently often not all documents are carefully read and contemplated by consumers. Rather, purchasers are instructed to "sign here" to move the process along. The notification that a defect has not been repaired could be slipped into this pile of papers, with its significance unsuspected by the consumer.

Families who cannot afford to purchase a new vehicle or who seek the value of purchasing a used auto deserve the same protections against safety defects afforded to new car buyers. According to industry sources, 75 percent of automotive sales in the U.S. involve used vehicles and accounted for approximately 39 million vehicles sold in 2022, the most recent year this data is available.<sup>iv</sup> Buying a secondhand vehicle should not mean that consumers should be subject to second rate safety protections.

New Jersey motorists, their passengers, and all those who share the roads with them deserve better protection, and they deserve to have an unsafe vehicle repaired before taking ownership.

Sincerely,

Catherine Chase, President

cc: New Jersey State Senate

i NHTSA 2023 Annual Report Safety Recalls, March 2024, available here. Ibid.

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iii

FAST Act, Pub. L. 114-94, Sec. 24109. Bazen, Alexus. "How Many Cars Are Sold Each Year in the U.S.? 2024." Consumer Affairs, Consumer Affairs, 17 Jan. 2024, available at www.consumeraffairs.com/automotive/how-many-cars-are-sold-each-year-in-the-us.html. iv