



Motor Vehicle Open Recall Notice and Fair Compensation Act **Support A4380/S3309 – Fair Pay for Fair Work**

Issue

“The Motor Vehicle Open Recall Notice and Fair Compensation Act” ([A4380](#)/[S3309](#)), enjoys broad bi-partisan sponsorship and is supported by both auto retailers and the union technicians that work for neighborhood new car dealerships. The bill benefits consumers by requiring auto manufacturers to do more to notify affected owners of recalls on their vehicles and encouraging them to get them fixed **with no out-of-pocket cost to them**. Right now, nearly half of all vehicles under recall never get repaired, which is a real threat to highway safety. For decades, automakers have shifted the cost of their manufacturing defects to dealers, auto technicians and consumers. This bill shifts the financial burden of owning a vehicle under recall back to the automakers. This bill also ensures dealers and technicians are paid fairly to fix the manufacturers’ mistakes. **NJ CAR urges legislators to support these bills when they are posted for a vote.**

Background

Last year the National Highway Transportation Safety Administration (NHTSA) ordered automakers to recall 27.7 million vehicles across the United States. Approximately 1.4 million vehicles on the road in New Jersey today are being operated with an unresolved safety or emissions recall. The purpose of A4380 is to improve recall completion rates and enhance highway safety. It does this by requiring automakers, in collaboration with the New Jersey Motor Vehicle Commission, to reach out to consumers whose vehicles are subject to a safety recall and encourage them to head to a dealership for free repairs.

The bill also places the burden on the automaker to designate any vehicle that is unsafe to drive so that consumers know, and dealers can remove these unsafe vehicles from the marketplace until they are repaired. The legislation requires the manufacturer to compensate the dealer for grounding these vehicles by paying 1.75% of the retail value of any recalled vehicle the dealer has in inventory, or takes into inventory, each month until the manufacturer supplies parts and a repair protocol to fix the safety defect.

Finally, the bill requires automakers to pay dealers the same retail price a consumer pays for recall repairs. Currently automakers shift the cost of their manufacturing defects to dealers and consumers by manipulating labor times when a vehicle goes under recall. For example, once a vehicle goes under recall, a repair job that typically took 4 hours to complete in the manufacturers’ labor time guide is often arbitrarily cut by the manufacturer overnight to a 2-hour job just prior to the recall announcement. This unfair practice leaves the small business dealer, and the technician unfairly compensated for their work.

Key Points

- A4380/S3309 will increase recall completion rates to ensure our roadways and families are safer.
- This bill requires automakers to pay dealers to hold vehicles that are deemed unsafe to drive by either NHTSA or the auto manufacturer itself. This also places the burden on automakers to provide parts and repair protocols in a timelier manner.
- This legislation ensures fair pay for fair work through establishing fair labor times that mirror what the retail customer pays for similar repairs.

Status

A4380 (sponsored by Assemblymen Coughlin, DiMaio and Sampson) was introduced on May 16, 2024, and currently has 39 bipartisan cosponsors. The bill is on the Assembly Consumer Affairs Committee schedule for March 6, 2025. The companion bill S3309 (sponsored by Senators Scutari and Bucco) was introduced on May 20, 2024, and currently has 23 bipartisan cosponsors. **NJ CAR urges legislators to support this legislation when it comes up for a vote.**

March 3, 2025