



LEGAL CHANGES AFFECTING IMMEDIATELY AUTOMOTIVE DEALERSHIPS OPERATING IN NEW JERSEY

Date: February 29th, 2024

Executive Summary & Why You Are Receiving This Letter

In January 2024, New Jersey Governor Murphy signed and made effective immediately the “Motor Vehicle Data Deletion Act” A4723¹. The law requires:

“Whenever a motor vehicle dealer takes possession of a motor vehicle from a consumer for the purpose of resale or lease, the motor vehicle dealer shall offer to delete the consumer’s personal information from the motor vehicle’s computer system in the motor vehicle, including, but not limited to, navigation history, paired phones, and garage door codes, by performing data clearing protocols in accordance with the Guidelines for Media Sanitization developed by the National Institute of Standards and Technology using techniques specified by the vehicle manufacturer to overwrite data or by using a menu option to reset the device to original factory settings.”

Not doing so will incur a civil penalty of \$500 the first time and \$1,000 for subsequent offenses.

The law provides dealers the opportunity to *“charge a reasonable fee for services performed in connection with the requirements of this section. The dealer shall disclose the fee to the consumer prior to performing the service and shall advise the consumer that the consumer may attempt to delete the personal information themselves or through another vendor.”*

WE URGE YOU TO IMMEDIATELY CONTACT YOUR NEW JERSEY LOCATIONS TO ENSURE THEY HAVE THE PROPER PROCESSES, SAFEGUARDS, AND COMPLIANCE MONITORING SYSTEMS NECESSARY COMPLY WITH THIS LAW. If you do business with New Jersey residents in neighboring states, it may be advisable to extend the same practices to those stores as well.

Practical implications for your company: next steps to comply

1. Dealerships, such as yours, who operate in New Jersey must become aware immediately of this new legal requirement.
2. Dealerships must have a process to offer and perform the deletion of personal information in accordance with the Guidelines for Media Sanitization developed by the National Institute of Standards and Technology, *see* NIST 800-88 Rev.1.²

¹ https://pub.njleg.state.nj.us/Bills/2022/A5000/4723_R2.PDF

² <https://www.nist.gov/publications/nist-special-publication-800-88-revision-1-guidelines-media-sanitization>

3. Dealerships should have a robust compliance management system that keeps track on a VIN-by-VIN basis, for every trade in and lease return, of whether a consumer declined or accepted the data deletion, and, if accepted, that the deletion was performed in accordance to the criteria expressed in the law.
4. Dealerships can charge a “reasonable fee” for these services, and must be able to reconcile those charges with the compliance records if they do so.

Risk management considerations

Audits show that when dealerships rely on homegrown processes centered on having a “checklist” and relying on the “expertise” of their personnel to remove data instead of using a tool that provides VIN-specific step-by-step data deletion procedures, 50-75% of the vehicles processed still retain personal information of consumers! Given the high civil penalties for violations, we encourage you to consider adopting tools and services that hundreds of dealerships and other auto businesses (including many OEM captives) already rely on.



Watch this short video to see how Privacy4Cars’ suite of turnkey solutions can you comply with the law

To learn more about Privacy4Cars®’ multi-patented AutoCleared™ solution to manage, execute, and certify the deletion of consumer Personal Information stored in vehicles and our broader suite of offerings to protect consumers and build value for dealerships, go to <https://privacy4cars.com> or contact us at info@privacy4cars.com