

ASSEMBLY CONSUMER AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3892

STATE OF NEW JERSEY

DATED: JUNE 2, 2022

The Assembly Consumer Affairs Committee reports favorably Assembly Bill No. 3892.

As reported by the committee, requires an online cancellation option for subscriptions and gym memberships that are entered into online.

Under the bill, a subscription service provider selling subscription services online is required to provide a consumer with an online option to cancel the subscription. The subscription service provider is to provide to any eligible consumer a direct link or button by which a consumer can cancel a subscription to the service.

The bill defines “subscription service provider” as a person who sells a subscription service to a consumer online. In addition, the bill defines “subscription service” as a service provided on a subscription basis in exchange for a reoccurring payment, including, but not limited to, a weekly, monthly, or annual payment charged to and made by a consumer. “Consumer” is defined as a resident of this State to whom a subscription service is sold online.

It is an unlawful practice for a subscription service provider to violate the provisions of this bill. An unlawful practice under the consumer fraud act is punishable by a monetary penalty of not more than \$10,000 for a first offense and not more than \$20,000 for any subsequent offense. In addition, violations may result in cease and desist orders issued by the Attorney General, the assessment of punitive damages, and the awarding of treble damages and costs to the injured party.

Finally, the bill provides that if a health club services contract is entered into online, the buyer is to be entitled to cancel the contract online, by way of a link provided to the buyer by the health club facility upon the request of an eligible buyer.