ASSEMBLY CONSUMER AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 802

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 13, 2021

The Assembly Consumer Affairs Committee reports favorably and with committee amendments Assembly Bill No. 802.

As amended and reported by the committee, this bill requires every mercantile establishment in this State that displays gift cards for sale to train employees on how to identify and respond to gift card fraud.

Under the amended bill, in consultation with the Attorney General, the Director of the Division of Consumer Affairs would be required to issue guidelines concerning the detection and prevention of gift card fraud. The training for employees of retail mercantile establishments would be required to be conducted in accordance with the guidelines.

The bill provides that the guidelines would include, but not be limited to: (1) information raising public awareness of the prevalence of gift card fraud; (2) information concerning common gift card fraud schemes; and (3) best practices for retail mercantile establishments to prevent gift card fraud. The guidelines would be published on the Internet websites of the Department of Law and Public Safety and the Division of Consumer Affairs, and updated periodically, as necessary.

Under the bill, a retail mercantile establishment that does not train employees as required by its provisions would be subject to a civil penalty in the amount of $1,000. However, failure to train employees would not be considered an unlawful practice in violation of the New Jersey consumer fraud act.

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS

The committee amendments require the Director of the Division of Consumer Affairs to issue guidelines concerning the detection and prevention of gift card fraud. The training for employees of retail mercantile establishments under the bill would be required to be conducted in accordance with the guidelines. The amendments provide that the guidelines would include, but not be limited to: (1) information raising public awareness of the prevalence of gift card

fraud; (2) information concerning common gift card fraud schemes; and (3) best practices for retail mercantile establishments to prevent gift card fraud.