

ASSEMBLY, No. 1475

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

SYNOPSIS

Revises law concerning prohibition of certain unsolicited checks.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning unsolicited checks and amending P.L.2015,
2 c.120 (C.2A:65D-6 et seq.).

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 1 of P.L.2015, c.120 (C.2A:65D-6 et seq.) is
8 amended to read as follows:

9 1. **【No person shall】** It shall be an unlawful practice for a
10 person to send an unsolicited check to an individual which, upon
11 being cashed or redeemed, automatically obligates the recipient to
12 pay any fee or enrolls that individual in any club, service, plan, or
13 continuing agreement.

14 For the purposes of this act, an "unsolicited check" means any
15 check mailed or otherwise delivered to a person, other than:

16 a. In response to a request or application for a check or account
17 by the person;

18 b. As a substitute for a check or account previously issued to
19 the person to whom the check is mailed or otherwise delivered; or

20 c. A check related to a consumer credit transaction or
21 consumer loan business issued or provided by an insured depository
22 institution as defined in 12 U.S.C.s.1813, a licensee under the New
23 Jersey Consumer Finance Licensing Act, sections 1 through 49 of
24 P.L.1996, c.157 (C.17:11C-1 et seq.), or other financial institution
25 authorized to do business by the New Jersey Department of
26 Banking and Insurance.
27 (cf: P.L.2015, c.120 (C.2A:65D-6 et seq.)

28

29 2. Section 2 of P.L.2015, c.120 (C.2A:65D-6 et seq.) is
30 amended to read as follows:

31 2. **【a.】** A person **【who violates】** in violation of section 1 of
32 P.L.2015, c.120 (C.2A:65D-6 et seq.) shall be subject to a civil
33 penalty **【in an amount not to exceed \$500 for the first violation and**
34 **\$1,000 for each subsequent violation, collectible by the Attorney**
35 **General in】** of up to \$500 for a first offense, and up to \$1,000 for a
36 second offense, to be collected in a civil action by a summary
37 proceeding pursuant to the "Penalty Enforcement Law of 1999,"
38 P.L.1999, c.274 (C.2A:58-10 et seq.).

39 **【b. Nothing set forth in P.L.2015, c.120 (C.2A:65D-6 et seq.)**
40 **shall be construed as creating, establishing or authorizing a private**
41 **cause of action by an aggrieved person against a person who has**
42 **violated, or is alleged to have violated, the provisions of P.L.2015,**
43 **c.120 (C.2A:65D-6 et seq.)】** The Superior Court shall have
44 jurisdiction of proceedings for the enforcement of the penalty
45 provided by this section.

EXPLANATION – Matter enclosed in bold-faced brackets 【thus】 in the above bill is
 not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

(cf: P.L.2015, c.120 (C.2A:65D-6 et seq.))

STATEMENT

An unlawful practice under the CFA 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. Additionally, 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.