

SENATE, No. 1274

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 10, 2020

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Directs Division of Consumer Affairs to establish public information campaign concerning real estate rental scams.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT requiring the establishment of a public information
2 campaign concerning real estate rental scams and supplementing
3 Title 56 of the Revised Statutes.

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

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8 1. The Director of the Division of Consumer Affairs shall
9 establish and undertake a public information campaign to educate
10 and inform consumers concerning real estate rental housing scams.
11 The campaign shall include information about recognizing and
12 reporting a rental scam.

13 The public information campaign shall include, but not be
14 limited to, the preparation, publication, and distribution of
15 information through the division's Internet website, booklets,
16 pamphlets, or other pertinent materials. The information shall be
17 made available in English and Spanish.

18 The director shall also provide a toll-free telephone number for
19 consumers to obtain additional information or make an inquiry
20 regarding a prospective rental, landlord, or real estate agent or
21 agency.

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23 2. This act shall take effect on the first day of the third month
24 after the date of enactment, except the director may take
25 anticipatory administrative action in advance as shall be necessary for
26 the implementation of this act.

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STATEMENT

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31 This bill requires the Director of the Division of Consumer
32 Affairs, in the Department of Law and Public Safety, to establish
33 and undertake a public information campaign to educate and inform
34 consumers concerning real estate rental housing scams, including
35 how to recognize and report them.

36 The public information campaign would include, but not be
37 limited to, the preparation, publication, and distribution of
38 information through the division's website, booklets, pamphlets, or
39 other pertinent materials. The information would be made available
40 in English and Spanish.

41 The bill also requires the director to provide a toll-free telephone
42 number for consumers to obtain additional information or make an
43 inquiry regarding a prospective rental, landlord, or real estate agent
44 or agency.

45 Rental scams occur when property owners or potential tenants
46 misrepresent themselves or the terms and availability of a rental
47 property. Some scammers "hijack" an actual rental or real estate
48 listing by changing the email address or other contact information,

1 and placing the modified advertisement on another site. The altered
2 advertisement may even use the name of the person who posted the
3 original advertisement. In other cases, scammers have hijacked the
4 email accounts of property owners on reputable vacation rental
5 websites. Some scammers create listings for housing that is not for
6 rent or does not exist, and try to lure potential renters with the
7 promise of low rent or great amenities. The goal of these scammers
8 is to get a person's money before he or she discovers the property is
9 a "phantom" rental.

10 The Federal Trade Commission (FTC) works to prevent
11 fraudulent, deceptive, and unfair business practices and to provide
12 consumers with information to help recognize and avoid them. The
13 FTC has developed information for consumers to learn the signs of
14 rental listing scams, and how to report these scams. For instance,
15 the FTC indicates that scammers may:

- 16 • ask a potential renter to wire money as a deposit or payment
17 of first and last month's rent because wiring money is like
18 giving cash – a refund cannot be made, even if the offer was
19 a fraud;
- 20 • require a potential renter to sign the lease before seeing the
21 rental property, and prohibit potential renters from entering
22 the home or apartment or charge a fee to view it; and
- 23 • claim to be an agent for the property owner who is too busy,
24 out of the country, or otherwise unavailable to handle the
25 rental.