

56:11-3; 56:11-6 et. al.

LEGISLATIVE HISTORY CHECKLIST

NJSA 56:11-3; 56:11-6, et al.

Laws of 1975 Chapter 94

Bill No. S 3102

Sponsor(s) Martindell

Date Introduced March 24, 1975

Committee: Assembly -----

Senate Labor, Industry & Professions

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Following statements are attached if available:

Sponsor statement No

Committee Statement: Assembly No

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Fiscal Note No

Veto message No

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CHAPTER 94 LAWS OF N. J. 1975

APPROVED 5-14-75

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SENATE, No. 3102

STATE OF NEW JERSEY

INTRODUCED MARCH 24, 1975

By Senator MARTINDELL

Referred to Committee on Labor, Industry and Professions

AN ACT to amend and supplement "An act concerning creditor billing errors in connection with certain consumer credit transactions and supplementing Title 56 of the Revised Statutes," approved November 11, 1974 (P. L. 1974, c. 146).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Section 3 of P. L. 1974, c. 146 (C. 56:11-3) is amended to read
2 as follows:

3 3. If a creditor, having transmitted to a consumer a statement
4 of the consumer's account, receives from the consumer at an
5 address designated therefor by the creditor in accordance with sec-
6 tion 5 of this act, within **[30]** 60 days of the mailing of said state-
7 ment, a written notice, on a document other than a document
8 provided by the creditor to accompany payment, **[by registered or**
9 **certified mail, return receipt requested,]** *by mail or other delivery*
10 setting forth sufficient information to enable the creditor to identify
11 the consumer and the account, the amount and transaction shown
12 in the statement which the consumer in good faith believes to be a
13 billing error, and the facts providing the basis for the consumer's
14 belief that the statement is in error; the creditor shall:

15 a. Not later than 30 days after receipt of the notice, mail a
16 written acknowledgment to the consumer; and

17 b. Not later than 90 days after receipt of the notice and prior to
18 taking any action to collect the amount believed by the consumer
19 to be a billing error, (1) make appropriate corrections in the ac-
20 count of the consumer and mail to the consumer a written notice
21 stating that the amount believed to be in error has been corrected
22 and will be shown on the next statement mailed to the consumer
23 or (2) send a written notice to the consumer setting forth the

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

24 reasons why the creditor believes the account of the consumer was
25 correctly shown in the statement; and

26 c. Not communicate unfavorable credit information concerning
27 the consumer to any person, including but not limited to credit
28 bureaus or credit reporting agencies, based upon the consumer's
29 failure to pay the amount believed by him to be a billing error, until
30 the creditor has complied with this section.

1 2. Section 6 of P. L. 1974, c. 146 (C. 56:11-6) is amended to read
2 as follows:

3 6. **[Not later than 60 days after the effective date of this act]**
4 ***[Commencing as of October 28, 1975, a creditor shall send to each**
5 **consumer, whose account [was in existence on the effective date**
6 **of this act] has an outstanding debit or credit balance of more than**
7 **\$1.00 on that date, and with] * *In the case of any account under**
8 **a consumer credit plan having an outstanding debit or credit**
9 **balance of more than \$1.00 at or after the close of the creditor's**
10 **first billing cycle, after October 28, 1975, the procedures to be fol-**
11 **lowed under section 3 of this act (C. 56:11-3) shall be disclosed by**
12 **the creditor in a notice mailed or delivered to the consumer not**
13 **later than the time of mailing of the next billing statement. With***
14 **or before the first billing statement on any consumer credit plan**
15 **issued or offered to a new consumer after [the effective date of**
16 **this act] October 28, 1975 and upon each subsequent renewal of a**
17 **consumer's account a written notice *shall be sent* (by any means**
18 **reasonably assuring the receipt thereof by the consumer) which**
19 **describes the procedures to be followed under section 3 of this act**
20 ***(C. 56:11-3)*. [Provided, however, that with respect to an exist-**
21 **ing account on which there is no debit or credit balance on the**
22 **effective date of this act a creditor shall have the option of sending**
23 **such notice with or before the first billing statement issued on such**
24 **account after the effective date of this act.]**

1 *3. Section 8 of P. L. 1974, c. 146 is amended to read as follows:

2 8. This act shall take effect **[6 months after its enactment]**
3 **on October 28, 1975.***

1 ***[3.] *4.*** (New section) With respect to any inconsistencies
2 between the provisions of this act and the "Fair Credit Billing Act"
3 (Public Law 93-495, 58 Stat. 1511) comprising Title III of the Fed-
4 eral Truth in Lending Act (Public Law 90-321, 82 Stat. 146, 15
5 U.S.C. 1601 et seq.) conduct in compliance with said Federal law
6 and regulations shall be deemed and construed to be conduct in
7 compliance with the provisions of this act.

1 ***[4.]*** *5.* (New section) The liability of a creditor under this
2 act is in lieu of, and not in addition to, the creditor's liability under
3 the Federal Fair Credit Billing Act. An action brought by a con-
4 sumer with respect to a violation of this act may not be maintained
5 pursuant to this act if a final judgment has been rendered for or
6 against that consumer with respect to the same violation pursuant
7 to the Federal Fair Credit Billing Act. An action brought by a con-
8 sumer with respect to a violation of this act shall be abated upon
9 motion by the creditor if an action, with respect to the same conduct,
10 is pending before any court pursuant to the Federal Fair Credit
11 Billing Act. If a final judgment has been rendered in favor of a
12 consumer pursuant to this act and thereafter a final judgment with
13 respect to the same conduct is rendered in favor of the same con-
14 sumer pursuant to the Federal Fair Credit Billing Act, a creditor
15 liable under both judgments has a cause of action against the con-
16 sumer for appropriate relief to the extent necessary to avoid double
17 liability with respect to the same conduct.

1 ***[5.]*** *6.* This act shall take effect immediately.