

56:11-24

LEGISLATIVE HISTORY CHECKLIST
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(Credit card forms)

NJSA: 56:11-24

LAWS OF: 1991 CHAPTER: 482

BILL NO: A1450

SPONSOR(S): Reilly

DATE INTRODUCED: Pre-filed

COMMITTEE: ASSEMBLY: Financial, Institutions
SENATE: Labor, Industry & Professions

AMENDED DURING PASSAGE: Yes Amendments during passage denoted
by asterisks

DATE OF PASSAGE: ASSEMBLY: May 14, 1991
SENATE: January 13, 1992

DATE OF APPROVAL: January 18, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG/pp

[SECOND REPRINT]
ASSEMBLY, No. 1450
STATE OF NEW JERSEY

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PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Assemblyman PELLY

1 AN ACT concerning certain credit card transaction forms.

2

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

5 1. Any person, firm, partnership, association or corporation
6 which issues forms used exclusively for credit card transactions
7 between the credit cardholder and seller shall only issue credit
8 card forms which:

9 a. are carbonless; ²[or]²

10 b. after the transaction is complete, do not render a separate
11 piece of paper, carbon or otherwise, which readily identifies the
12 cardholder by name or number, other than those necessary for use
13 by the seller, credit cardholder and issuer to complete the credit
14 card transaction ²;

15 c. are carbonized backed forms that may be retained for
16 recordkeeping purposes of the seller, the seller's agent or
17 subcontractor, the issuer or the credit cardholder; or

18 d. have a perforated or split carbon, half of which is
19 disposable, and upon completion of the transaction the disposable
20 portion of the carbon renders only half of the cardholder's name
21 and account number².

22 2. ¹a.¹ Any person, firm, partnership, association or
23 corporation which accepts credit cards used exclusively for credit
24 card transactions shall only use credit card forms which:

25 ¹[a.] ⁽¹⁾¹ are carbonless; ²[or]²

26 ¹[b.] ⁽²⁾¹ after the transaction is complete, do not render a
27 separate piece of paper, carbon or otherwise, which readily
28 identifies the cardholder by name or number, other than those
29 necessary for use by the seller, credit cardholder and issuer to
30 complete the credit card transaction ²;

31 (3) are carbonized backed forms that may be retained for
32 recordkeeping purposes of the seller, the seller's agent or
33 subcontractor, the issuer or the credit cardholder; or

34 (4) have a perforated or split carbon, half of which is
35 disposable, and upon completion of the transaction the disposable
36 portion of the carbon renders only half of the cardholder's name
37 and account number².

38 ¹b.¹ No person, firm, partnership, association or corporation
39 which accepts credit cards for the transaction of business shall be

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AFI committee amendments adopted March 19, 1990.

² Assembly floor amendments adopted April 23, 1990.

1 deemed to have violated the provisions of ¹subsection a. of¹ this
2 section, if that person, firm, partnership, association or
3 corporation shows by a preponderance of evidence that the
4 violation was not intentional and resulted from bona fide error
5 made notwithstanding the maintenance of procedures reasonably
6 adopted to avoid any such error.

7 ¹c. The provisions of subsection a. of this section shall not
8 apply to forms used for a special purpose incidental to the credit
9 card transaction but related to shipping, delivery or installment
10 of purchased merchandise or special orders.¹

11 3. A violation of section 1 of this act shall be punishable by a
12 civil fine not to exceed \$1,000. A violation of section 2 of this
13 act, if the violation constitutes the first offense by the person
14 shall be punishable by a civil fine not to exceed \$250. The second
15 offense and any offense committed thereafter shall be punishable
16 by a civil fine not to exceed \$1,000.

17 4. Whenever there shall be a violation of this act an
18 application may be made by the Attorney General in the name of
19 the people of the State to a court having jurisdiction by a special
20 proceeding to issue an injunction, and upon notice to the
21 defendant of not less than five days, to enjoin and restrain the
22 continuance of the violation; and if it shall appear to the
23 satisfaction of the court that the defendant has, in fact, violated
24 this act, an injunction may be issued by the court, enjoining and
25 restraining any further violations, without requiring proof that
26 any person has in fact, been injured or damaged thereby.

27 5. This act shall take effect ¹[immediately but shall be
28 inoperative until January 1, 1989] on January 1, 1991 or the 180th
29 day following enactment, whichever is later¹.

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BANKING AND FINANCE

32

33

34 Requires the use of certain forms in credit card transactions.

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Assemblyman PELLY

1 AN ACT concerning certain credit card transaction forms.

2

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

5 1. Any person, firm, partnership, association or corporation
6 which issues forms used exclusively for credit card transactions
7 between the credit cardholder and seller shall only issue credit
8 card forms which:

9 a. are carbonless; or

10 b. after the transaction is complete, do not render a separate
11 piece of paper, carbon or otherwise, which readily identifies the
12 cardholder by name or number, other than those necessary for use
13 by the seller, credit cardholder and issued to complete the credit
14 card transaction.

15 2. Any person, firm, partnership, association or corporation
16 which accepts credit cards used exclusively for credit card
17 transactions shall only use credit card forms which:

18 a. are carbonless; or

19 b. after the transaction is complete, do not render a separate
20 piece of paper, carbon or otherwise, which readily identifies the
21 cardholder by name or number, other than those necessary for use
22 by the seller, credit cardholder and issuer to complete the credit
23 card transaction. No person, firm, partnership, association or
24 corporation which accepts credit cards for the transaction of
25 business shall be deemed to have violated the provisions of this
26 section, if that person, firm, partnership, association or
27 corporation shows by a preponderance of evidence that the
28 violation was not intentional and resulted from bona fide error
29 made notwithstanding the maintenance of procedures reasonably
30 adopted to avoid any such error.

31 3. A violation of section 1 of this act shall be punishable by a
32 civil fine not to exceed \$1,000.00. A violation of section 2 of this
33 act, if the violation constitutes the first offense by the person
34 shall be punishable by a civil fine not to exceed \$250.00. The
35 second offense and any offense committed thereafter shall be
36 punishable by a civil fine not to exceed \$1,000.00.

37 4. Whenever there shall be a violation of this act an
38 application may be made by the Attorney General in the name of
39 the people of the State to a court having jurisdiction by a special
40 proceeding to issue an injunction, and upon notice to the
41 defendant of not less than five days, to enjoin and restrain the

1 continuance of the violation; and if it shall appear to the
2 satisfaction of the court that the defendant has, in fact, violated
3 this act, an injunction may be issued by the court, enjoining and
4 restraining any further violations, without requiring proof that
5 any person has in fact, been injured or damaged thereby.

6 5. This act shall take effect immediately but shall be
7 inoperative until January 1, 1989.

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STATEMENT

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12 The purpose of this bill is to require that persons or
13 corporations which issue forms for credit card transactions shall
14 only issue such credit card forms which are carbonless or which
15 after the transaction is complete, do not render a separate piece
16 of paper, carbon or otherwise, which readily identifies the card
17 holder by name or number. In addition, the bill also provides that
18 persons or corporations which accept credit cards shall only
19 accept credit card forms which are carbonless or which do not
20 readily identify the card holder by name or number.

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BANKING AND FINANCE

24

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Requires the use of certain forms in credit card transactions.

ASSEMBLY FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1450

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MARCH 19, 1990

The Assembly Financial Institutions Committee reports favorably, with amendments, Assembly, No. 1450.

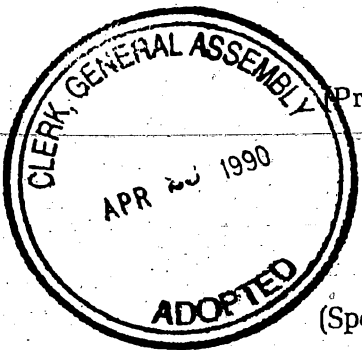
This bill, as amended, requires that persons or corporations which issue forms for credit card transactions to issue only credit card forms which are carbonless or which after the transaction is complete, do not render a separate piece of paper, carbon or otherwise, which readily identifies the card holder by name or number. In addition, the bill also provides that persons or corporations which accept credit cards shall only use credit card forms which are carbonless or which do not readily identify the card holder by name or number, however, forms used for a special purpose incidental to the credit card transaction but related to shipping, delivery, or installment of purchased merchandise or special orders are exempt from this requirement.

The amendments to the bill: (1) clarifies that the requirement of subsection a. of section 2 of the act does not apply to forms used for a special purpose incidental to the credit card transaction but related to shipping, delivery or installment of purchased merchandise or special orders; and (2) change the effective clause to make the act effective on January 1, 1991 or the 180th day following enactment, whichever is later.

This bill was pre-filed for introduction in the 1990 session pending technical review. As reported the bill includes the changes required by technical review which has been performed.

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APR 1 1:39



Assembly Amendments
(Proposed by Assemblyman Pelly)

to

ASSEMBLY, No. 1450 (1R)

(Sponsored by Assemblyman Pelly)

REPLACE SECTION 1 TO READ:

1. Any person, firm, partnership, association or corporation which issues forms used exclusively for credit card transactions between the credit cardholder and seller shall only issue credit card forms which:

✓ a. are carbonless; ²[or]²

✓ b. after the transaction is complete, do not render a separate piece of paper, carbon or otherwise, which readily identifies the cardholder by name or number, other than those necessary for use by the seller, credit cardholder and issuer to complete the credit card transaction ²; ~~or~~

c. are carbonized backed forms that may be retained for recordkeeping purposes of the seller, the seller's agent or subcontractor, the issuer or the credit cardholder; or

d. have a perforated or split carbon, half of which is disposable, and upon completion of the transaction the disposable portion of the carbon renders only half of the cardholder's name and account number².

REPLACE SECTION 2 TO READ:

2. ¹a. ¹ Any person, firm, partnership, association or corporation which accepts credit cards used exclusively for credit card transactions shall only use credit card forms which:

✓ ¹[a.] (1) ¹ are carbonless; ²[or]²

✓ ¹[b.] (2) ¹ after the transaction is complete, do not render a separate piece of paper, carbon or otherwise, which readily identifies the cardholder by name or number, other than those necessary for use by the seller, credit cardholder and issuer to complete the credit card transaction ²; ~~or~~

(3) are carbonized backed forms that may be retained for recordkeeping purposes of the seller, the seller's agent or subcontractor, the issuer or the credit cardholder; or

(4) have a perforated or split carbon, half of which is disposable, and upon completion of the transaction the disposable portion of the carbon renders only half of the cardholder's name and account number².

1b.1 No person, firm, partnership, association or corporation which accepts credit cards for the transaction of business shall be deemed to have violated the provisions of 1subsection a. of¹ this section, if that person, firm, partnership, association or corporation shows by a preponderance of evidence that the violation was not intentional and resulted from bona fide error made notwithstanding the maintenance of procedures reasonably adopted to avoid any such error.

1c. The provisions of subsection a. of this section shall not apply to forms used for a special purpose incidental to the credit card transaction but related to shipping, delivery or installment of purchased merchandise or special orders.¹

STATEMENT

With these amendments, the bill requires issuers and users of credit card transaction forms to issue and use only those credit card forms that: are carbonless; or are carbonized backed forms that may be retained for recordkeeping by certain persons; or after the transaction is complete, do not render a separate piece of paper, carbon, or otherwise which readily identifies the cardholder by complete name or account number; or have a perforated or split carbon, half of which is disposable and does not readily identify the cardholder by complete name or account number.

The amendments permit the use of carbonized backed forms and perforated or split carbon forms.

SENATE LABOR, INDUSTRY AND PROFESSIONS COMMITTEE

STATEMENT TO

[SECOND REPRINT]

ASSEMBLY, No. 1450

STATE OF NEW JERSEY

DATED: MAY 21, 1990

The Senate Labor, Industry and Professions Committee reports favorably Assembly, No. 1450 (2R).

This bill requires issuers of forms for credit card transactions to issue only credit card forms which: are carbonless; do not render a separate piece of paper or carbon which identifies the cardholder by name or number except as necessary for use by the seller, credit cardholder and issuer to complete the credit card transaction; are carbonized backed forms; or have a perforated or split carbon, half of which is disposable and renders only half of the cardholder's name and account number. Merchants and others who accept credit cards may only use the credit card forms described above. These prohibitions do not apply to forms used by merchants and others for a special purpose incidental to a credit card transaction and related to shipping, delivery or installation of purchased merchandise or special orders.

Issuers of credit card forms who violate the provisions of this bill would be subject to a civil penalty of not more than \$1,000. Merchants and others who accept credit cards and violate the provisions of this bill would be subject to a civil penalty of not more than \$250 for a first violation and not more than \$1,000 for any subsequent violation. The Attorney General may also seek an injunction from a court of competent jurisdiction to enjoin and restrain violations of the provisions of the bill.

The provisions of the bill become effective on January 1, 1991 or the 180th day following enactment, whichever is later.