

LEGISLATIVE HISTORY CHECKLIST

NJSA: 56:8-2.23

(Used goods for resale--
require solicitors to
disclose profit-making
nature of business)

LAWS OF: 1985

CHAPTER: 254

Bill No: S1420

Sponsor(s): Rand

Date Introduced: February 27, 1984

Committee: Assembly: Commerce and Industry

Senate: Labor, Industry and Professions

Amended during passage: No

Date of Passage: Assembly: June 27, 1984

Senate: December 17, 1984

Date of Approval: July 31, 1985

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

SENATE, No. 1420

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 27, 1984

By Senator RAND

Referred to Committee on Labor, Industry and Professions

A SUPPLEMENT to "An act concerning consumer fraud, its prevention, and providing penalties therefor," approved June 9, 1960 (P. L. 1960, c. 39, C. 56:8-1 et seq.).

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

1 1. It shall be an unlawful practice for any person, other than a
2 charitable or nonprofit organization, engaged in the business of
3 selling used goods, wares or merchandise for profit to solicit, by
4 telephone, by the placement of collection boxes or otherwise,
5 donations of used goods, wares or merchandise for resale for profit,
6 without first disclosing to the person solicited the profit-making
7 nature of the business, or if profits are to be shared with a
8 charitable or nonprofit organization, the portion of profits which
9 that organization will receive. For the purposes of this act, "en-
10 gaged in the business of selling used goods, wares or merchandise"
11 means anyone who conducts sales more than five times a year.

1 2. This act shall take effect immediately.

STATEMENT

Several private, profit-making organizations involved in "second-hand store" operations currently solicit donations of used items by phone, or by the placing of collection boxes in prominent places, such as parking lots. Often, these organizations operate under names which give the person solicited the false impression that they

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Several private, profit-making organizations involved in "second-hand store" operations currently solicit donations of used items by phone, or by the placing of collection boxes in prominent places, such as parking lots. Often, these organizations operate under names which give the person solicited the false impression that they

are donating their used items to a charitable organization. In other instances, the profit-making organization gives a charity a small portion of its income from the donations it obtained using the charity's name. So misled, the person then tries to deduct the donation from his taxes, only to discover the donation is not allowed.

This bill would eliminate these misleading solicitations by requiring the solicitor to disclose the profit-making nature of his business. A violation of the disclosure requirement would result in penalties imposed under section 1 of P. L. 1966, c. 39 (C. 56:8-13) and section 8 of P. L. 1960, c. 39 (C. 56:8-8).

ASSEMBLY COMMERCE AND INDUSTRY COMMITTEE

STATEMENT TO

SENATE, No. 1420

STATE OF NEW JERSEY

DATED: FEBRUARY 25, 1985

This bill, supplementing the consumer fraud law, prohibits any person engaged in the business of selling used goods, wares, or merchandise for profit to solicit by telephone, by the placement of collection boxes, or otherwise, any donations of goods for resale for profit, unless it is disclosed that the business is a profit making business, or, if profits are shared with a charitable or nonprofit organization, the portion of the profits which that organization will receive.

The bill is intended to preclude private, profit-making organizations from misleading persons who donate used goods and merchandise with respect to the disposition of those goods and merchandise.

SENATE LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO

SENATE, No. 1420

STATE OF NEW JERSEY

DATED: MAY 17, 1984

This bill, supplementing the consumer fraud act, prohibits any person engaged in the business of selling used goods, wares or merchandise for a profit, other than a charitable or nonprofit organization, from soliciting used goods, wares or merchandise by telephone or the use of collection boxes for resale at a profit without first disclosing to the person solicited the profit-making nature of the business or, if some of the profits go to a charitable or nonprofit organization, the portion of the profits which that organization will receive. Persons who hold sales of used goods five or less times per year are exempt from the bill's provisions.