

2A: 37-30; 2A: 37-30.1

LEGISLATIVE HISTORY CHECKLIST

WJSA 2A: 37-30, 2A: 37-30.1 (Consumer Credit--Escheat of balances)

LAWS OF 1979 CHAPTER 88

Bill No. A868

Sponsor(s) Kern and others

Date Introduced February 23, 1978

Committee: Assembly Banking and Insurance

Senate Labor, Industry and Professions

Amended during passage Yes No

Date of Passage: Assembly Oct. 19, 1978

Senate Feb. 20, 1979

Date of approval May 15, 1979

Following statements are attached if available:

Sponsor statement Yes xx (Below)

Committee Statement: Assembly Yes xx

Senate Yes xx

Fiscal Note xxx No

Veto message xxx No

Message on signing xxx No

Following were printed:

Reports xxx No

Hearings xxx No

Sponsor's statement:

This bill provides for the escheat of moneys payable on consumer credit balances abandoned for 5 years.

EJ

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ASSEMBLY, No. 868

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 23, 1978

By Assemblymen KERN, EDWARDS, BARRY, GORMLEY,  
REMINGTON, GIRGENTI, DOWD and KOZLOSKI

Referred to Committee on Banking and Insurance

AN ACT concerning escheat of consumer credit balances, amending  
N. J. S. 2A:37-30 and supplementing chapter 37 of Title 2A of  
the New Jersey Statutes.

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

1 1. (New section) As used in this act:

2 a. "Consumer" means a natural person.

3 b. "Creditor" means a person, partnership, corporation, associa-  
4 tion or other entity who, in the ordinary course of business,  
5 regularly extends consumer credit. The term creditor includes  
6 any agent of a creditor for collection, processing or other purposes.

7 c. "Consumer credit" means credit extended to a consumer on  
8 an account pursuant to a plan under which (1) the creditor may  
9 permit the customer to make purchases or obtain loans, from time  
10 to time, directly from the creditor or indirectly by use of a credit  
11 card, check, or other device, as the plan may provide; (2) the  
12 customer has the privilege of paying the balance in full or in  
13 installments; and (3) a finance charge may be computed by the  
14 creditor from time to time on an outstanding unpaid balance. The  
15 term does not include negotiated advances under an open end real  
16 estate mortgage or a letter of credit.

17 d. "Credit balance" means any money or credit owed to, or held  
18 for the benefit of, a consumer by a creditor on a consumer credit  
19 account, whether resulting from an overpayment or return of  
20 merchandise by the consumer, or otherwise.

1 2. N. J. S. 2A:37-30 is amended to read as follows:

2 2A:37-30. a. Except as may be otherwise provided by subsec-  
3 tions (b), (c) and (d) of this section, whenever a corporation,  
4 partnership, limited partnership or other business association  
5 incorporated or organized under the laws of this State or whenever

6 any natural person doing business and domiciled in this State shall  
7 have custody or possession of, or otherwise be the holder of, or  
8 shall have deposited with or given to an agent or trustee residing  
9 within or without this State custody or possession of, stock divi-  
10 dends or any moneys and other accretions which are or shall be  
11 due or payable to any person as a dividend upon capital stock,  
12 preferred or common, or as interest payable upon bonds, inden-  
13 tures, notes or other formal instruments evidencing indebtedness,  
14 or any moneys payable on other general cash obligations, *or any*  
15 *moneys payable on a credit balance*, and except as may be other-  
16 wise provided by subsections (b), (c) and (d) of this section,  
17 whenever any corporation, partnership, limited partnership or  
18 other business association incorporated or organized under the  
19 laws of any other state or of the United States or whenever any  
20 natural person doing business within or without this State, and  
21 subject to the laws of this State shall have custody or possession  
22 or otherwise be a holder of any moneys or other personal property  
23 which are due or payable by such holder to any person in any of  
24 the categories above enumerated whose last known address accord-  
25 ing to the records of the holder is within this State and the owner  
26 of, beneficial owner of, or person entitled to the same has been and  
27 remains unknown for a period of 5 successive years, or the where-  
28 abouts of such person has been and remains unknown for a period  
29 of 5 successive years, or such personal property has been and  
30 remains unclaimed for a period of 5 successive years, such moneys  
31 or other personal property shall be presumed abandoned and  
32 subject to delivery to the State Treasurer for safekeeping.

33 (b) (1) Any funds deposited with or paid to any State or  
34 Federal savings and loan association, credit union or investment  
35 company engaged in business in this State for savings or toward  
36 the purchase of shares or other interest in the organization and  
37 any interest or dividends thereon shall be presumed abandoned  
38 unless the owner of same has within 20 years:

39 (1) Increased or decreased the amount of the funds on  
40 deposit or presented an appropriate record for the crediting  
41 of interest or dividends; or

42 (ii) Corresponded in writing with the organization concern-  
43 ing the funds or deposits;

44 (iii) Otherwise indicated an interest in the funds or deposit  
45 as evidenced by a memorandum on file with the organization.

46 (2) Any funds held by any State or Federal savings and loan  
47 association, credit union or investment company engaged in busi-

48 ness in this State payable on any check, money order or other  
49 general cash obligation of the organization which have remained  
50 unpaid or unclaimed for 5 successive years shall be presumed  
51 abandoned.

52 (c) All personal property distributable in the course of a volun-  
53 tary dissolution or other liquidation of:

54 (1) Any corporation, partnership, limited partnership, unincor-  
55 porated business association, financial association or other business  
56 or financial entity, incorporated or organized within or under the  
57 laws of this State; or

58 (2) Any corporation, partnership, limited partnership, unincor-  
59 porated business association, financial association or other business  
60 or financial entity incorporated or organized within or under the  
61 laws of any other state, or of the United States, which personal  
62 property is payable to a person whose last known address is within  
63 this State, which is unclaimed by the person entitled thereto within  
64 2 years after the date of final distribution is presumed abandoned  
65 and subject to delivery to the State Treasurer for safekeeping.

66 (d) Any sum payable on a money order or travelers check issued  
67 or sold in this State by a corporation, partnership, limited part-  
68 nership or other business association subject to the laws of this  
69 State, which has been outstanding for more than 7 years from the  
70 date of its issuance in the case of a money order or for more than  
71 15 years from the date of its issuance in the case of a travelers  
72 check, is presumed abandoned, unless the owner has within 7 years  
73 in the case of a money order or 15 years in the case of a travelers  
74 check corresponded in writing with such corporation, partnership,  
75 limited partnership or other business association concerning it, or  
76 otherwise indicated an interest as evidence by a memorandum on  
77 file with such corporation, partnership, limited partnership or other  
78 business association.

1 3. This act shall take effect immediately.

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#### STATEMENT

This bill provides for the escheat of moneys payable on consumer credit balances abandoned for 5 years.

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ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 868

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STATE OF NEW JERSEY

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DATED: OCTOBER 5, 1978

This legislation amends the escheat law (N. J. S. 2A:37-30) to provide specifically for the escheat of consumer balances to the State. It is a companion bill to Assembly Bill No. 867.

While the present escheat law does provide for the escheat of "general cash obligations," there is evidence that very few consumer credit balances are remitted to the State by lenders and retailers. The Assembly Banking and Insurance Committee feels, therefore, that such legislation is necessary.

SENATE LABOR, INDUSTRY AND  
PROFESSIONS COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 868**

**STATE OF NEW JERSEY**

DATED: JANUARY 30, 1979

This bill provides that moneys payable on consumer credit balances abandoned for five years would escheat to the State.

MAY 15, 1979

FOR FURTHER INFORMATION

FOR IMMEDIATE RELEASE

KATHRYN FORSYTH

Governor Brendan Byrne today signed into law the following bills:

A-867, sponsored by Assemblyman Walter M. D. Kern, Jr. (R-Bergen) which requires a creditor to inform a consumer of his credit balance at the end of the first billing cycle in which the balance was posted, and, thereafter, at least once in every three billing cycles.

Under the bill, the creditor must refund the full amount of the credit balance within 30 days of receiving a request for refund from the consumer.

In cases in which there is a credit balance and there has been no activity for six consecutive billing cycles, the creditor must refund the amount of credit within 30 days.

A-868, also sponsored by Assemblyman Kern, which provides that consumer credit balances which remain unclaimed for five years will escheat to the state.

A-1657, also sponsored by Assemblyman Kern, which would validate any deed which has been recorded for five or more years, which is otherwise valid, despite a defect in the acknowledgement or proof of such deed.

The bill would not apply to any deed which is the subject of a court proceeding already in progress or which is instituted within 30 days after the bill's signing.

A-1752, sponsored by Assemblyman Robert P. Hollenbeck (D-Bergen) which places employees of the New Jersey Institute of Technology within the state employees health benefits program.

This is a Byrne Administration-proposed measure.

NJIT provides educational services to the State of New Jersey under a contract with the Board of Higher Education. Since the health benefits for NJIT's approximately 500 employees are not budgeted for in the state's central health benefits account, the Institute uses a portion of the funds derived from the contract to provide the health benefits.

By including NJIT employees with all other state employees, the health benefits can be purchased at a lower group rate and the state will consequently realize a savings in its annual contract with NJIT. (~~4-1752~~)

S-999, the "Omnibus Corrections Bill", sponsored by Senator Joseph P. Merlino (D-Mercer) which amends various statutes to correct technical errors, inadvertently made, in prior enactments.

Governor Byrne conditionally vetoed the bill on April 5 because of a change in the sales tax law relating to the sale of food and beverages through coin-operated vending machines. The Legislature concurred in the conditional