

17:16C-1

LEGISLATIVE HISTORY CHECKLIST

IWSA 17:16c-1 (Allow use of Credit Cards for Professional Services)

LANS OF 1977 CHAPTER 220

Bill No. S917

Sponsor(s) Dodd

Date Introduced Pre-filed

Committee: Assembly Commerce, Banking & Insurance

Senate Labor, Industry & Professions

Amended during passage Yes Amendments during passage denoted by asterisks

Date of Passage: Assembly March 21, 1977

Senate May 17, 1976

Date of approval September 14, 1977

Following statements are attached if available:

Sponsor statement Yes (Below)

Committee Statement: Assembly Yes

Senate Yes

Fiscal Note No

Veto message No

Message on signing Yes

Following were printed:

Reports No

Hearings No

Sponsor's Statement:

The purpose of this bill is to make it more convenient for people to finance medical, dental and hospital costs. It restores the Retail Installment Sales Act to what it provided before its amendment in 1971.

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SENATE, No. 917

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1976 SESSION

By Senator DODD

AN ACT to amend "An act to define and regulate certain retail installment sales and to license and regulate motor vehicle installment sellers and sales finance companies, to repeal P. L. 1948, c. 419 and supplementing Title 17 of the Revised Statutes," approved June 9, 1960 (P. L. 1960, c. 40) as said title was amended by P. L. 1971, c. 409.

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

1 1. Section 1 of P. L. 1960, c. 40 (C. 17:16C-1) is amended to
2 read as follows:

3 1. In this act, unless the context otherwise requires, the follow-
4 ing words and terms shall have the following meanings:

5 (a) "Goods" means all chattels personal which are primarily
6 for personal, family or household purposes, including merchandise
7 certificates and coupons to be exchanged for goods or services,
8 having a cash price of \$7,500.00 or less, but not including money or
9 other choses in action. Goods shall not include chattels personal
10 sold for commercial or business use.

11 (b) "Retail installment contract" means any contract, other
12 than a retail charge account or an instrument reflecting a sale pur-
13 suant thereto, entered into in this State between a retail seller and
14 a retail buyer evidencing an agreement to pay the retail purchase
15 price of goods or services, which are primarily for personal, family
16 or household purposes, or any part thereof, in two or more install-
17 ments over a period of time. This term includes a security agree-
18 ment, chattel mortgage, conditional sales contract, or other similar
19 instrument and any contract for the bailment or leasing of goods
20 by which the bailee or lessee agrees to pay as compensation a sum
21 substantially equivalent to or in excess of the value of the goods,
22 and by which it is agreed that the bailee or lessee is bound to

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

23 become, or has the option of becoming, the owner of such goods
24 upon full compliance with the terms of such retail installment
25 contract.

26 (c) "Retail seller" means a person who sells or agrees to sell
27 goods or services under a retail installment contract or a retail
28 charge account to a retail buyer, and shall include a motor vehicle
29 installment seller.

30 (d) "Retail buyer" means a person who buys or agrees to buy
31 goods or services from a retail seller, not for the purpose of resale,
32 pursuant to a retail installment contract or a retail charge account.

33 (e) "Person" means an individual, partnership, firm, corpora-
34 tion, banking institution, association or any other group of individ-
35 uals however organized.

36 (f) "Sales finance company" means and includes any person
37 engaging in this State in the business of acquiring or arranging for
38 the acquisition of retail installment contracts or obligations in-
39 curred pursuant to retail charge accounts by purchase, discount,
40 pledge or otherwise from a retail seller which is not wholly owned
41 by or does not wholly own such person, and any person engaging,
42 directly or indirectly, in the business of soliciting the purchase of
43 retail installment contracts or obligations incurred pursuant to
44 retail charge accounts from a retail seller which is not wholly owned
45 by or does not wholly own such person, or in the business of aiding
46 the retail seller in selling, assigning or arranging for the sale or
47 assignment of retail installment contracts or obligations incurred
48 pursuant to retail charge accounts, and any person other than a
49 retail seller who enters into a retail charge account with a retail
50 buyer.

51 (g) "Motor vehicle" includes all vehicles used for transporta-
52 tion upon a highway propelled otherwise than by muscular power,
53 excepting such vehicles as run only upon rails or tracks.

54 (h) "Motor vehicle installment seller" means a dealer in motor
55 vehicles, who is required to be licensed under chapter 10 of Title
56 39 of the Revised Statutes and who sells or offers to sell a motor
57 vehicle to a retail buyer under a retail installment contract.

58 (i) "Cash price" means the minimum price for which the goods
59 or services subject to a retail installment contract or a retail
60 charge account or other goods or services of like kind and quality
61 may be purchased for cash from the seller by the buyer, as stated
62 in the retail installment contract, the retail charge account or an
63 instrument reflecting a sale pursuant thereto.

64 (j) "Down payment" means all payments made in cash or in
 65 goods or partly in cash and partly in goods, received by the retail
 66 seller prior to or substantially contemporaneous with either the
 67 execution of the retail installment contract or the delivery of the
 68 goods, whichever occurs later.

69 (k) "Official fees" means the filing or other fees required by
 70 law to be paid to a public officer to perfect an interest or lien, on
 71 the goods, retained or taken by a retail seller under a retail in-
 72 stallment contract and motor vehicle license and transfer fees paid
 73 to the State.

74 (l) "Time price differential" means the amount or amounts,
 75 however denominated or computed, in addition to the cash price
 76 or prices, to be paid by the retail buyer for the privilege of pur-
 77 chasing goods or services pursuant to a retail installment contract
 78 or a retail charge account. The term does not include the amount,
 79 if a separate charge is made therefor, for insurance and official fees.

80 (m) "Holder" means any person, including a retail seller, who is
 81 entitled to the rights of a retail seller under a retail installment
 82 contract or retail charge account.

83 (n) "Banking institution" means any bank or national banking
 84 association authorized to do business in this State.

85 (o) "Commissioner" means the Commissioner of Banking of
 86 New Jersey and includes his deputies or any salaried employee
 87 of the Department of Banking named or appointed by the said
 88 commissioner to perform any function in the administration or
 89 enforcement of this act.

90 (p) "Payment-period" means the period of time scheduled by a
 91 retail installment contract to elapse between the days upon which
 92 installment payments are scheduled to be made on such contract;
 93 except that, when installment payments are scheduled to be omitted,
 94 pursuant to section 26, "payment-period" means the period of time
 95 scheduled by the contract to elapse between the days upon which
 96 installment payments are scheduled to be made during that portion
 97 of the contract period in which no installment payment is scheduled
 98 to be omitted.

99 (q) "Contract period" means the period beginning on the date
 100 of a retail installment contract and ending on the date scheduled by
 101 the contract for the payment of the final installment.

102 (r) "Retail charge account" means any account, other than a
 103 retail installment contract or a home repair contract which is sub-
 104 ject to the "Home Repair Financing Act" (P. L. 1960, c. 41;
 105 C. 17:16C-62 et seq.), established by an agreement which prescribes
 106 the terms under which a retail buyer may from time to time pur-

107 chase or lease goods or services which are primarily for personal,
 108 family or household purposes, and under which the unpaid balance
 109 thereunder, whenever incurred, is payable in one or more install-
 110 ments and under which a time price differential may be added in
 111 each billing period as provided herein. Retail charge account also
 112 includes all accounts arising out of the utilization by the holder of
 113 a credit card, letter of credit or other credit identification issued
 114 by a sales finance company, giving the holder the privilege of using
 115 the credit card, letter of credit or other credit identification to
 116 become a retail buyer in transactions out of which debt arises:
 117 (1) by the sales finance company's payment or agreement to pay
 118 the retail buyer's obligations; or (2) by the sales finance company's
 119 purchase from the retail seller of the obligations of the user of the
 120 credit card, letter of credit or other credit identification as a retail
 121 buyer.

122 (s) "Services" means and includes work, labor and services,
 123 *professional and otherwise* which are primarily for personal, family
 124 or household purposes but does not include [professional services
 125 nor] services which are subject to the "Home Repair Financing
 126 Act," and insurance premiums financing which is subject to the
 127 "Insurance Premium Finance Company Act" (P. L. 1968, c. 221;
 128 C. 17:16D-1 et seq.). [Services, as herein defined, which are pro-
 129 fessional services, shall not be subject to the provisions of this act
 130 or of the act to which this act is a supplement, and any contract for
 131 the payment of the cost of such services shall be subject to the
 132 general usury law (R. S. 31:1-1 et seq.).]

133 (t) "Billing period" means the time interval between regular
 134 periodic billing statement dates. In the case of monthly billing
 135 periods, such intervals shall be considered equal intervals of time
 136 if the billing date of a billing period does not vary more than 4
 137 days from the billing date of the immediately preceding billing
 138 period. In the case of billing periods which are not monthly, the
 139 permissible variation in billing dates shall be that proportion of
 140 4 days (adjusted to the nearest whole number) which the number
 141 of days in the billing period bears to 30.

142 *u. *Professional services means services rendered or performed*
 143 *by a person authorized by law to practice a recognized profession*
 144 *whose practice is regulated by law and the performance of which*
 145 *services requires knowledge of an advanced type in a field of learn-*
 146 *ing acquired by a prolonged formal course of specialized instruction*
 147 *and study as distinguished from general academic instruction or*
 148 *apprenticeship and training.**

1 2. This act shall take effect immediately.

SENATE, No. 917

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1976 SESSION

By Senator DODD

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13 suant thereto, entered into in this State between a retail seller and
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18 ment, chattel mortgage, conditional sales contract, or other similar
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41 by or does not wholly own such person, and any person engaging,
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44 retail charge accounts from a retail seller which is not wholly owned
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86 New Jersey and includes his deputies or any salaried employee
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88 commissioner to perform any function in the administration or
89 enforcement of this act.

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126 Act," and insurance premiums financing which is subject to the
127 "Insurance Premium Finance Company Act" (P. L. 1968, c. 221;
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129 fessional services, shall not be subject to the provisions of this act
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135 periods, such intervals shall be considered equal intervals of time
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137 days from the billing date of the immediately preceding billing
138 period. In the case of billing periods which are not monthly, the
139 permissible variation in billing dates shall be that proportion of
140 4 days (adjusted to the nearest whole number) which the number
141 of days in the billing period bears to 30.

1 2. This act shall take effect immediately.

SPONSOR'S STATEMENT

The purpose of this bill is to make it more convenient for people to finance medical, dental and hospital costs. It restores the Retail Installment Sales Act to what it provided before its amendment in 1971.

SENATE LABOR, INDUSTRY, AND
PROFESSIONS COMMITTEE

STATEMENT TO

SENATE, No. 917

STATE OF NEW JERSEY

DATED: MAY 3, 1976

Senate Bill No. 917 would amend the "Retail Installment Sales Act of 1960" by including the cost of professional services among those "services" which can be financed through retail installment sales contracts, customarily known as credit cards.

SENATE AMENDMENT TO
SENATE, No. 917

—•—
STATE OF NEW JERSEY
—•—

ADOPTED MAY 13, 1976

Amend page 4, section 1, line 141, after line 141 insert new subsection:

“u. Professional services means services rendered or performed by a person authorized by law to practice a recognized profession whose practice is regulated by law and the performance of which services requires knowledge of an advanced type in a field of learning acquired by a prolonged formal course of specialized instruction and study as distinguished from general academic instruction or apprenticeship and training.”

ASSEMBLY COMMERCE, BANKING AND INSURANCE
COMMITTEE

STATEMENT TO
SENATE, No. 917

—◆—
STATE OF NEW JERSEY
—◆—

DATED: SEPTEMBER 27, 1976

This legislation would amend the "Retail Installment Sales Act of 1960" to include professional services within the scope of goods and services which may be financed through retail installment contracts or credit cards.

FROM THE OFFICE OF THE GOVERNOR

SEPTEMBER 14, 1977

FOR FURTHER INFORMATION

FOR IMMEDIATE RELEASE

ANNE BURNS

Governor Brendan Byrne today signed into law S-917, sponsored by Senator Frank J. Dodd, D-Essex, which amends the "Retail Installment Sales Act of 1960."

The bill allows professional services to be included within the scope of goods and services which may be financed by retail installment contracts or credit cards.

Prior to this legislation, professional services were subject to the Usury Law which permits from 6 per cent to 9 1/2 per cent finance charge per year. The Retail Installment Sales Act permits a 1 1/2 per month finance charge on retail services and a 1 1/4 per month finance charge by banks.

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