

LEGISLATIVE HISTORY OF R.S.^{2A}150A-1 to 5
[Wage Assignments]

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L.1971 chap.412 - Assembly 65 - Garibaldi et al.

A65, 1970 - prefiled bill. Bill had Statement.
Passed both houses, not amended.
Nov.15, 1971 - Governor's Conditional Veto.
Dec.2, 1971 - Passed Assembly, amended.
Dec.6, 1971 - Assembly Amendment passed Senate.
Jan.20, 1972 - Bill signed by Governor. [Original bill,
Governor's Veto, Amendment, enclosed]

Earlier bills

The same bill had been introduced yearly since 1966, but had died in committee.

S374 - 1966.
S37 - 1967.
A264 - 1968.
A199 - 1969.

In 1968 by SR4 a committee was established to study Wage Assignments [bill enclosed]. The Committee was reconstituted 1969, 1970. No hearings or reports were found.

Other references

974.90 New Jersey Governor's Select Commission on
C5815 Civil Disorders.
1968

Report for Action p.86-87; p.127

974.90 New Jersey Uniform Consumer Credit Code
C762 Study Commission.
1971

First report...1970 p.27.

974.901 A Moral Recommitment for New Jersey.
652 Governor Hughes. Special Message to the
Legislature. April 25, 1968. page 29

HP/EH
Encl.

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ASSEMBLY, No. 65

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1970 SESSION

By Assemblymen GARIBALDI, HAELIG, KRAVARIK
and MACRAE

AN ACT prohibiting purchases and assignments of salary, wages, commissions, pay and other compensation for services and providing punishment for violations.

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

1 1. It shall be unlawful for any person to purchase or have as-
2 signed to him any salary, wages, commissions, pay or other com-
3 pensation for services, or any part thereof, due or to become due
4 to any other person and any such purchase or assignment, when-
5 ever executed, shall be void and unenforceable.

6 Any person violating this section, or attempting to do so, shall
7 be guilty of a misdemeanor.

8 All acts or parts of acts inconsistent herewith are to the extent
9 of such inconsistency repealed.

1 2. This act shall take effect immediately.

STATEMENT

Wage and similar assignments are a constant source of abuse in which both the employee and the employer are harassed. When obtaining a loan or making a purchase, an employee is often required to sign a wage assignment. Frequently, the employee is not aware that he is signing an assignment and in all cases he does not realize either the legal or practical effect of the instrument. An employee with a good defense to a wage assignment is in no position to defend because there is no court process whatever and the employer withholds the moneys to avoid personal liability. The result is inequitable economic duress on the employee. Wage assignments today serve no legitimate economic or social interest and should be abolished. This bill is one more step in the effort to protect the consumer public.

ASSEMBLY AMENDMENTS TO
ASSEMBLY, No. 65

STATE OF NEW JERSEY

ADOPTED NOVEMBER 15, 1971

Amend page 1, section 1, line 1, after "to", insert "withhold or pay to another or".

Amend page 1, section 1, line 2, after "him", insert ", other than by order of court,".

Amend page 1, section 1, line 4, delete "other person", and insert "employee".

Amend page 1, section 1, line 6, insert section number "2."

Amend page 1, section 1, line 6, delete "section", and insert "act".

Amend page 1, section 1, after line 7, insert new sections 3 and 4 as follows:

"3. Any person withholding, paying or receiving any salary, wages, commissions, or other compensation for services performed in violation of this act, shall be liable to the employee for the amount thereof."

"4. The term 'person' as used in this act shall include any natural person or his legal representative, partnership, corporation, company, trust, business entity or association, or any agent, employee, salesman, partner, officer, director, member, stockholder, or associate acting on behalf thereof."

Amend page 1, section 1, line 8, insert section number "5."

Amend page 1, section 2, line 1, delete "2.", and insert "6."

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

November 15, 1971

ASSEMBLY BILL NO. 65

To the General Assembly:

Pursuant to Article V, Section 1, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 65, with my objections for reconsideration.

This bill would make it unlawful for any person to purchase or have assigned to him the wages, salary, compensation or pay of any other person and would make such an assignment or purchase unenforceable. Violation of the act would be punishable as a misdemeanor.

It is recognized that wage and other assignments are a constant source of annoyance and irritation to employee and employer alike; their use often results in inequitable economic duress on the employee. It is further recognized that the practice should be abolished.

The bill as drafted, however, presents some problems. It fails to eliminate from its application certain circumstances under which assignments of compensation are necessary for the orderly transfer and sale of businesses or assets. Assembly Bill No. 65 also fails to prohibit specifically the actual withholding of compensation from the employee by the employer and does not provide for a return of compensation wrongfully withheld or paid; in addition it lacks a definition of the word "person."

Accordingly I am returning Assembly Bill No. 65 for reconsideration, with the recommendation that it be amended as follows:

On page 1, section 1, line 1, after "to" insert "withhold or pay to another or."

On page 1, section 1, line 2, after "him" insert ", other than by order of court,"

On page 1, section 1, line 4, delete "other person" and insert "employee."

On page 1, section 1, line 6, insert section number "2."

On page 1, section 1, line 6, delete "section" and insert "Act"

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ASSEMBLY BILL NO. 65 (Cont'd.)

On page 1, section 1, after line 7, insert new sections 3 and 4 as follows:

"3. Any person withholding, paying or receiving any salary, wages, commissions, or other compensation for services performed in violation of this Act, shall be liable to the employee for the amount thereof."

"4. The term 'person' as used in this act shall include any natural person or his legal representative, partnership, corporation, company, trust, business entity or association, or any agent, employee, salesman, partner, officer, director, member, stockholder, or associate acting on behalf thereof."

On page 1, section 1, line 8, insert number "5."

On page 1, section 2, line 1, delete "2." and insert "6."

Respectfully,

/s/ William T. Cahill

GOVERNOR

[seal]

Attest:

/s/ Jean E. Mulford

Acting Secretary to the Governor

APPROVED JANUARY 20, 1972

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ASSEMBLY, No. 65

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1970 SESSION

By Assemblymen GARIBALDI, HAELIG, KRAVARIK
and MACRAE

AN ACT prohibiting purchases and assignments of salary, wages, commissions, pay and other compensation for services and providing punishment for violations.

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

1 1. It shall be unlawful for any person to **withhold or pay to*
2 *another or** purchase or have assigned to him*, *other than by*
3 *order of court,** any salary, wages, commissions, pay or other
4 compensation for services, or any part thereof, due or to become
5 due to any ***[other person]*** **employee** and any such purchase
6 or assignment, whenever executed, shall be void and unenforceable.

7 ***2.*** Any person violating this ***[section]*** **act**, or attempting
8 to do so, shall be guilty of a misdemeanor.

1 ***3.*** *Any person withholding, paying or receiving any salary,*
2 *wages, commissions, or other compensation for services performed*
3 *in violation of this act, shall be liable to the employee for the*
4 *amount thereof.**

1 ***4.*** *The term "person" as used in this act shall include any*
2 *natural person or his legal representative, partnership, corpora-*
3 *tion, company, trust, business entity or association, or any agent,*
4 *employee, salesman, partner, officer, director, member, stockholder,*
5 *or associate acting on behalf thereof.**

1 ***5.*** All acts or parts of acts inconsistent herewith are to the
2 extent of such inconsistency repealed.

1 ***[2.]*** ***6.*** This act shall take effect immediately.

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

SENATE RESOLUTION No. 4

STATE OF NEW JERSEY

INTRODUCED JUNE 10, 1968

By Senators McDERMOTT, LACORTE and RINALDO

Referred to Committee on Revision and Amendment of Laws

A SENATE RESOLUTION creating a special commission to study and review the laws of this State relating to wage assignments and the garnishment of wages and to report thereon to the Legislature.

1 WHEREAS, Wage assignments and the garnishment of wages often
2 results in undue economic hardship and unrest particularly
3 among that segment of our society in the lower income category;
4 and

5 WHEREAS, Pursuant to the findings of the Governor's Select Com-
6 mission on Civil Disorder: "When wages are garnished—a
7 common occurrence in the ghetto—much of a person's resolve
8 to keep a job and to become a productive citizen can be shattered.
9 Furthermore, employers are inhibited from hiring employees
10 whose wages are subject to garnishment"; and

11 WHEREAS, The said commission's recommendation that "wage
12 assignments and the garnishing of wages should be abolished"
13 points of the necessity to study and review the laws relating to
14 these matters; now, therefore,

1 BE IT RESOLVED *by the Senate of the State of New Jersey:*

1 1. There is hereby created a commission to consist of 7 members,
2 to be appointed by the President of the Senate, of whom 2 shall
3 be representatives of labor, 2 shall be representatives of employers,
4 2 shall be representatives of the public generally, and one shall be
5 a member of the Senate. Each member shall serve without com-
6 pensation. Vacancies in the membership of the commission shall
7 be filled in the same manner as the original appointments were
8 made.

1 2. The commission shall organize as soon as may be after the
2 appointment of its members and shall select a chairman from among
3 its members and a secretary who need not be a member of the
4 commission.

1 3. It shall be the duty of the commission to study and review the
2 laws of this State relating to wage assignments and the garnish-
3 ment of wages, the effects of wage assignments and garnishments
4 upon wage earners, upon their ability and resolve to obtain and
5 retain employment, and upon the employment policies of employers
6 generally.

1 4. The commission shall be entitled to call to its assistance and
2 avail itself of the services of such employees of any State, county or
3 municipal department, board, bureau, commission or agency as it
4 may require and as may be available to it for said purpose, and to
5 employ such stenographic and clerical assistants and incur such
6 traveling and other miscellaneous expenses as it may deem neces-
7 sary, in order to perform its duties, and as may be within the limits
8 of funds appropriated or otherwise made available to it for said
9 purposes.

1 5. The commission may meet and hold hearings at such place
2 or places as it shall designate during the sessions or recesses of
3 the Legislature and shall report its findings and recommendations
4 to the Legislature, accompanying the same with any legislative bills
5 which it may desire to recommend for adoption by the Legislature.