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§§1-4
C.56:4A-6
to
56:4A-9
§5
Note to §§1-4

P.L. 1999, CHAPTER 235, *approved October 13, 1999*
Assembly, No. 2149 (*Second Reprint*)

1 AN ACT concerning molds and supplementing P.L.1983, c.217
2 (C.56:4A-1 et seq.)

3

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

6

7 1. A molder shall have a lien, dependent on possession, on all dies,
8 molds, forms or patterns in the molder's hands belonging to a customer
9 ²**[¹, if the customer is the owner of the die, mold, form or pattern¹]**
10 **or owner, if the owner is different from the customer²**, for the balance
11 due the molder from the customer for any manufacturing, engineering
12 or fabrication work, and in the value of all material related to the
13 work. The molder may retain possession of the die, mold, form or
14 pattern, without process of law, until the balance due the molder is
15 paid.

16

17 2. If a balance due the molder remains unpaid 60 days after
18 payment is due, the molder may sell the die, mold, form or pattern,
19 subject to any existing perfected security interest, at a public auction
20 in the county where the die, mold, form or pattern is being held.

21

22 3. a. Before a molder may sell the die, mold, form or pattern, the
23 molder shall notify the ¹**[customer]** ²**[owner¹]** customer and, if the
24 owner is different from the customer, the owner² by certified mail,
25 return receipt requested. The notice shall include the following
26 information:

27 (1) the molder's intention to sell the die, mold, form or pattern 30
28 days after the notice was mailed;

29 (2) a description of the die, mold, form or pattern to be sold;

30 (3) the time and place of the sale; and

31 (4) an itemized statement for the amount due.

32 b. If the die, mold, form or pattern is sold for an amount which is
33 greater than the amount of the lien plus all reasonable expenses of the
34 sale, any excess amount shall be paid to any prior lienholder known to
35 the molder at the time of the sale and any remainder to the

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SCM committee amendments adopted February 18, 1999.

² Senate floor amendments adopted June 21, 1999.

1 ¹[customer] ²[owner¹] customer, or if the owner is different from the
2 customer, to the owner² . If there is no prior lienholder and the
3 ¹[customer] ²[owner¹] customer or, if the owner is different from the
4 customer, the owner² has not responded to the notices required to be
5 sent ¹[and published]¹ pursuant to this act, any excess shall be paid
6 to the State Treasurer for deposit in the General Fund.

7 c. A lien under this act shall not take priority over an existing
8 perfected security interest.

9 d. ¹[A customer] ²[An owner¹] A customer or, if the owner is
10 different from the customer, the owner² shall seek repossession of a
11 mold, die, form or pattern subject to a lien under this act only by
12 posting a bond in the amount of the charges outstanding.

13
14 4. The sale of a die, mold, form or pattern shall not be made under
15 this act if it is in violation of any right of ¹[a customer] ²[an owner¹]
16 a customer or owner, if the owner is different from the customer²
17 under federal patent or copyright law.

18
19 5. This act shall take effect on the first business day following the
20 90th day after enactment.

21
22
23
24
25

Provides liens on molds under certain circumstances.

ASSEMBLY, No. 2149

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED JUNE 1, 1998

Sponsored by:

Assemblywoman CAROL J. MURPHY

District 26 (Essex, Morris and Passaic)

Assemblyman KENNETH C. LEFEVRE

District 2 (Atlantic)

Co-Sponsored by:

Assemblymen Bateman, Merkt, Conners, Geist, Greenwald and

Assemblywoman Previte

SYNOPSIS

Provides liens on molds under certain circumstances.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/18/1998)

1 AN ACT concerning molds and supplementing P.L.1983, c.217
2 (C.56:4A-1 et seq.)

3

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

6

7 1. A molder shall have a lien, dependent on possession, on all dies,
8 molds, forms or patterns in the molder's hands belonging to a
9 customer, for the balance due the molder from the customer for any
10 manufacturing, engineering or fabrication work, and in the value of all
11 material related to the work. The molder may retain possession of the
12 die, mold, form or pattern, without process of law, until the balance
13 due the molder is paid.

14

15 2. If a balance due the molder remains unpaid 60 days after
16 payment is due, the molder may sell the die, mold, form or pattern,
17 subject to any existing perfected security interest, at a public auction
18 in the county where the die, mold, form or pattern is being held.

19

20 3. a. Before a molder may sell the die, mold, form or pattern, the
21 molder shall notify the customer by certified mail, return receipt
22 requested. The notice shall include the following information:

23 (1) the molder's intention to sell the die, mold, form or pattern 30
24 days after the notice was mailed;

25 (2) a description of the die, mold, form or pattern to be sold;

26 (3) the time and place of the sale; and

27 (4) an itemized statement for the amount due.

28 b. If the die, mold, form or pattern is sold for an amount which is
29 greater than the amount of the lien plus all reasonable expenses of the
30 sale, any excess amount shall be paid to any prior lienholder known to
31 the molder at the time of the sale and any remainder to the customer.
32 If there is no prior lienholder and the customer has not responded to
33 the notices required to be sent and published pursuant to this act, any
34 excess shall be paid to the State Treasurer for deposit in the general
35 fund.

36 c. A lien under this act shall not take priority over an existing
37 perfected security interest.

38 d. A customer shall seek repossession of a mold, die, form or
39 pattern subject to a lien under this act only by posting a bond in the
40 amount of the charges outstanding.

41

42 4. The sale of a die, mold, form or pattern shall not be made under
43 this act if it is in violation of any right of a customer under federal
44 patent or copyright law.

ASSEMBLY CONSUMER AFFAIRS AND REGULATED
PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2149

STATE OF NEW JERSEY

DATED: OCTOBER 15, 1998

The Assembly Consumer Affairs and Regulated Professions Committee reports favorably Assembly Bill No. 2149.

This bill provides a person using a die, mold, form or pattern for the purpose of manufacturing, assembling, casting, fabricating or otherwise making a product for a customer, with leverage to obtain payment for work shipped when payment has not been received and the customer demands the return of the die, mold, form or pattern. Under the bill, the molder has a lien on all dies, molds, forms or patterns used for customers. If the balance due the molder for work done for a customer remains unpaid for 60 days after it is due, the molder is permitted to sell the die, mold, form or pattern at public auction in the county where it is being held. Prior to the sale, the molder is required to send a notice informing the customer of the sale, which sale shall not occur sooner than 30 days after sending the notice. The notice shall include the place and time of the sale, a description of the die, mold, form or pattern and an itemized statement for the amount due. The proceeds of the sale go to cover the amount due the molder and reasonable costs of the sale. Any excess amount is to be paid to any prior lienholder and any remainder to the customer.

The bill provides that an existing perfected security interest takes priority over a lien of a molder and requires any customer seeking to recover a mold, die, form or pattern from a molder to post a bond in the amount of the charges still outstanding.

SENATE COMMERCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2149

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 18, 1999

The Senate Commerce Committee reports favorably and with committee amendments Assembly Bill No. 2149.

This bill, as amended by the committee, provides a person using a die, mold, form or pattern for the purpose of manufacturing, engineering or fabrication work for a customer, who is also the owner of the die, mold, form or pattern, with leverage to obtain payment for work shipped when payment has not been received and the owner demands the return of his die, mold, form or pattern. Under the bill, the molder has a lien on all dies, molds, forms or patterns used for customers who are the owners of the die, mold, form or pattern. The molder may retain possession of the die, mold, form or pattern, without process of law, until the balance due the molder is paid.

If the balance due the molder for work done for an owner remains unpaid for 60 days after it is due, the molder may sell the die, mold, form or pattern, subject to any existing perfected security interest, at public auction in the county where it is being held. Prior to the sale, the molder is required to send a notice by certified mail, return receipt requested, informing the owner of the sale, which sale shall not occur sooner than 30 days after sending the notice. The notice shall include the place and time of the sale, a description of the die, mold, form or pattern and an itemized statement for the amount due. The proceeds of the sale shall be applied to the amount due the molder and reasonable costs of the sale. Any excess amount is to be paid to any prior lienholder and any remainder to the owner. If there is no prior lienholder and the owner did not respond to the notices of the sale, any excess must be paid to the State Treasurer for the General Fund.

The bill provides that an existing perfected security interest takes priority over a lien of a molder and requires any owner seeking to recover a mold, die, form or pattern from a molder to post a bond in the amount of the charges still outstanding.

As amended and reported, this bill is identical to Senate Bill No.1668 (1R).

STATEMENT TO
[First Reprint]
ASSEMBLY, No. 2149

with Senate Floor Amendments
(Proposed By Senator ALLEN)

ADOPTED: JUNE 21, 1999

This bill presently provides a person using a die, mold, form or pattern for the purpose of manufacturing, engineering or fabrication work for a customer, who is also the owner of the die, mold, form or pattern, with leverage to obtain payment for work shipped when payment has not been received and the customer demands the return of his die, mold, form or pattern.

The amendments change the bill to include in its coverage the two following situations: when the customer is the owner of the die, mold, form or pattern; and when the customer is leasing the die, mold, form or pattern from another person who is the owner.

SENATE, No. 1668

STATE OF NEW JERSEY
208th LEGISLATURE

INTRODUCED JANUARY 25, 1999

Sponsored by:

Senator DIANE ALLEN

District 7 (Burlington and Camden)

SYNOPSIS

Provides liens on molds under certain circumstances.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning molds and supplementing P.L.1983, c.217
2 (C.56:4A-1 et seq.).

3

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

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7 1. A molder shall have a lien, dependent on possession, on all dies,
8 molds, forms or patterns in the molder's hands belonging to a
9 customer, for the balance due the molder from the customer for any
10 manufacturing, engineering or fabrication work, and in the value of all
11 material related to the work. The molder may retain possession of the
12 die, mold, form or pattern, without process of law, until the balance
13 due the molder is paid.

14

15 2. If a balance due the molder remains unpaid 60 days after
16 payment is due, the molder may sell the die, mold, form or pattern,
17 subject to any existing perfected security interest, at a public auction
18 in the county where the die, mold, form or pattern is being held.

19

20 3. a. Before a molder may sell the die, mold, form or pattern, the
21 molder shall notify the customer by certified mail, return receipt
22 requested. The notice shall include the following information:

23 (1) the molder's intention to sell the die, mold, form or pattern 30
24 days after the notice was mailed;

25 (2) a description of the die, mold, form or pattern to be sold;

26 (3) the time and place of the sale; and

27 (4) an itemized statement for the amount due.

28 b. If the die, mold, form or pattern is sold for an amount which is
29 greater than the amount of the lien plus all reasonable expenses of the
30 sale, any excess amount shall be paid to any prior lienholder known to
31 the molder at the time of the sale and any remainder to the customer.
32 If there is no prior lienholder and the customer has not responded to
33 the notices required to be sent and published pursuant to this act, any
34 excess shall be paid to the State Treasurer for deposit in the General
35 Fund.

36 c. A lien under this act shall not take priority over an existing
37 perfected security interest.

38 d. A customer shall seek repossession of a mold, die, form or
39 pattern subject to a lien under this act only by posting a bond in the
40 amount of the charges outstanding.

41

42 4. The sale of a die, mold, form or pattern shall not be made under
43 this act if it is in violation of any right of a customer under federal
44 patent or copyright law.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1668

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 18, 1999

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 1668.

This bill, as amended by the committee, provides a person using a die, mold, form or pattern for the purpose of manufacturing, engineering or fabrication work for a customer, who is also the owner of the die, mold, form or pattern, with leverage to obtain payment for work shipped when payment has not been received and the owner demands the return of his die, mold, form or pattern. Under the bill, the molder has a lien on all dies, molds, forms or patterns used for customers who are the owners of the die, mold, form or pattern. The molder may retain possession of the die, mold, form or pattern, without process of law, until the balance due the molder is paid.

If the balance due the molder for work done for an owner remains unpaid for 60 days after it is due, the molder may sell the die, mold, form or pattern, subject to any existing perfected security interest, at public auction in the county where it is being held. Prior to the sale, the molder is required to send a notice by certified mail, return receipt requested, informing the owner of the sale, which sale shall not occur sooner than 30 days after sending the notice. The notice shall include the place and time of the sale, a description of the die, mold, form or pattern and an itemized statement for the amount due. The proceeds of the sale shall be applied to the amount due the molder and reasonable costs of the sale. Any excess amount is to be paid to any prior lienholder and any remainder to the owner. If there is no prior lienholder and the owner did not respond to the notices of the sale, any excess must be paid to the State Treasurer for the General Fund.

The bill provides that an existing perfected security interest takes priority over a lien of a molder and requires any owner seeking to recover a mold, die, form or pattern from a molder to post a bond in the amount of the charges still outstanding.

As amended and reported, this bill is identical to Assembly Bill No.2149 (1R).

PO BOX 004
TRENTON, NJ 08625

Office of the Governor
NEWS RELEASE

CONTACT: Gene Herman
609-777-2600

RELEASE: October 13, 1999

Gov. Christie Whitman has signed the following pieces of legislation:

A-2790, sponsored by Assembly Members Kevin J. O'Toole (R-Essex/Union) and Guy F. Talarico (R-Bergen) and Senators Anthony R. Bucco (R-Morris) and James S. Cafiero (R-Cape May/Atlantic/Cumberland), strengthens requirements for court-ordered counseling of domestic violence offenders. The bill requires a court that orders a domestic violence offender to receive counseling, either as a condition of a defendant's sentence in a criminal matter or as a part of a final restraining order, to direct the defendant to provide documentation of his or her participation in counseling. Previously, courts had the discretion to require a defendant to provide such documentation. The bill also prohibits a court from granting an application by a domestic violence offender to dismiss a final restraining order unless the offender has completed all required attendance at such counseling. The court could, however, dismiss this order at the request of the victim. Previously a court had the discretion whether to grant such an application.

A-2149, sponsored by Assembly Members Carol J. Murphy (R-Essex/Morris /Passaic and Kenneth C. LeFevre (R-Atlantic) and Senator Diane B. Allen (R-Burlington /Camden), creates a mold lien law designed to protect plastics molders in the event a customer fails to pay for work completed. The bill provides for the ability of a molder to obtain a lien on all dies, molds, forms or patterns used for customers. If the balance due the molder for work completed for a customer remains unpaid for 60 days after it is due, the molder is permitted to sell the mold at public auction in the county where it is being held. At least 30 days prior to the sale, the molder is required to send a notice to the owner of the mold stating the place and time of the sale, a description of the mold and an itemized statement for the amount due. The proceeds of the sale will be used to cover the amount due to the molder and reasonable costs of the sale. Any excess amount is to be paid to any prior lien holder and any remainder to the owner. The bill also provides that an existing perfected security interest takes priority over a lien of a molder, and requires any owner seeking to recover a mold from a molder to post a bond in the amount of the charges still outstanding. Further, the bill provides that the sale of a mold shall not be made under the act if it is in violation of any right of an owner under federal patent or copyright law.

A-66, sponsored by Assembly Member LeRoy J. Jones, Jr. (D-Essex), prohibits a person, including a bank or other depository institution, which cashes a check for a consumer, from recording a charge card or credit card account number on the check. Previous law prohibited the recording of a charge or credit card account number on a check which a person or bank or other depository institution receives for deposit. The bill expands the prohibition to a check which is cashed.