

56:8-19

LEGISLATIVE HISTORY CHECKLIST
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(Consumer fraud--recover costs)

NJSA: 56:8-19

LAWS OF: 1997 CHAPTER: 359

BILL NO: A2457

SPONSOR(S): Bagger

DATE INTRODUCED: November 7, 1996

COMMITTEE: ASSEMBLY: Consumer Affairs; Appropriations

SENATE: Commerce

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: June 5, 1997

SENATE: January 8, 1998

DATE OF APPROVAL: January 15, 1998

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes 12-16-96 & 2-3-97

SENATE: Yes

FISCAL NOTE: Yes

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:
REPORTS: No

HEARINGS: No

KBP:pp

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ASSEMBLY, No. 2457

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 7, 1996

By Assemblyman BAGGER

1 AN ACT permitting the Attorney General to recover costs in certain
2 consumer fraud actions and amending P.L. 1971, c. 247.

3

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

6

7 1. Section 7 of P.L.1971, c. 247 (C.56:8-19) is amended to read as
8 follows:

9 7. Any person who suffers any ascertainable loss of moneys or
10 property, real or personal, as a result of the use or employment by
11 another person of any method, act, or practice declared unlawful
12 under this act or the act hereby amended and supplemented may bring
13 an action or assert a counterclaim therefor in any court of competent
14 jurisdiction. In any action under this section the court shall, in
15 addition to any other appropriate legal or equitable relief, award
16 threefold the damages sustained by any person in interest. In all
17 actions under this section, including those brought by the Attorney
18 General, the court shall also award reasonable attorneys' fees, filing
19 fees and reasonable costs of suit.

20 (cf: P.L.1971, c.247, s.7)

21

22 2. This act shall take effect immediately.

23

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25 STATEMENT

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27 This bill amends current law to allow the State to recover
28 reasonable costs of suit, including attorneys' and filing fees, for
29 successful actions brought by the Attorney General under the
30 consumer fraud law. While currently the court may award costs of
31 suit to private litigants who successfully sue under this law, the State
32 must absorb its court costs regardless of the outcome of a case.

33 The Division of Consumer Affairs currently spends \$12.5 million
34 annually on protecting consumer rights and investigating consumer

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.

1 complaints, including \$1.0 million on court costs directly related to the
2 enforcement of the consumer fraud law. This bill would provide the
3 State with the same opportunity for recovery of such costs as is
4 afforded to private litigants by making violators of the law potentially
5 liable for actions brought on behalf of the public by the Attorney
6 General.

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11 Permits Attorney General to recover costs in certain consumer fraud
12 actions.

**ASSEMBLY CONSUMER AFFAIRS AND REGULATED
PROFESSIONS COMMITTEE**

STATEMENT TO

ASSEMBLY, No. 2457

STATE OF NEW JERSEY

DATED: DECEMBER 16, 1996

The Assembly Consumer Affairs and Regulated Professions Committee reports favorably Assembly Bill No. 2457.

This bill amends current law to allow the State to recover reasonable costs of suit, including attorneys' and filing fees, for successful actions brought by the Attorney General under the consumer fraud law. While currently the court may award costs of suit to private litigants who successfully sue under this law, the State must absorb its court costs regardless of the outcome of a case. This bill would provide the State with the same opportunity for recovery of such costs as is afforded to private litigants.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2457

STATE OF NEW JERSEY

DATED: FEBRUARY 3, 1997

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2457.

Assembly Bill No. 2457 allows the State to recover reasonable costs of suit, including attorneys' and filing fees, for successful actions brought by the Attorney General under the consumer fraud law. While currently the court may award costs of suit to private litigants who successfully sue for damages, the State absorbs its court costs when it brings a damage suit for consumer fraud. This bill would provide the State with the same opportunity for recovery of such costs as is afforded to private litigants.

FISCAL IMPACT:

The Division of Consumer Affairs has provided the information that the division and the Office of Administrative Law spent about \$1.25 million in costs qualifying for reimbursement in the most recent year for which information is available.

LEGISLATIVE FISCAL ESTIMATE TO
ASSEMBLY, No. 2457
STATE OF NEW JERSEY

DATED: FEBRUARY 24, 1997

Assembly Bill No. 2457 of 1996 permits the State to recover reasonable costs of suits, including attorneys' and filing fees, for successful actions brought by the Attorney General under the consumer fraud law. Under current law, the court may award costs of suit to private litigants who successfully sue under the consumer fraud law, but not to the State.

Information provided informally by the Division of Consumer Affairs in the Department of Law and Public Safety indicates that approximately \$1,250,000 in costs would have been reimbursed to the State under this bill in the most recent year for which this information is available. This figure is comprised of approximately \$750,000 for legal services provided by the Division of Law and approximately \$500,000 in preliminary costs incurred by the Office of Administrative Law.

The Office of Legislative Services observes that the volume of court-awarded reimbursements following enactment of this bill cannot be accurately estimated. However, if the State's prosecutorial effort continues at its current level, reimbursements to the State may approximate current costs and increase with inflation in future years.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

SENATE COMMERCE COMMITTEE



STATEMENT TO

ASSEMBLY, No. 2457

STATE OF NEW JERSEY

DATED: NOVEMBER 24, 1997

The Senate Commerce Committee reports favorably Assembly Bill No. 2457.

This bill amends current law to allow the State to recover reasonable costs of suit, including attorneys' and filing fees, for successful actions brought by the Attorney General under the consumer fraud law. While currently the court may award costs of suit to private litigants who successfully sue under this law, the State must absorb its court costs regardless of the outcome of a case. This bill would provide the State with the same opportunity for recovery of such costs as is afforded to private litigants.

P.L. 1997, CHAPTER 359, *approved January 15, 1998*
Assembly, No. 2457

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