

LEGISLATIVE HISTORY CHECKLIST
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(Courts--fines)

NJSA: 40A:5-23

LAWS OF: 1995 **CHAPTER:** 325

BILL NO: S1384

SPONSOR(S): Matheussen and others

DATE INTRODUCED: September 19, 1994

COMMITTEE: **ASSEMBLY** Judiciary
SENATE: Judiciary

AMENDED DURING PASSAGE: Yes Amendments during passage
 Third reprint enacted denoted by superscript numbers

DATE OF PASSAGE: **ASSEMBLY:** December 18, 1995
SENATE: May 25, 1995

DATE OF APPROVAL: January 5, 1996

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

See newspaper clipping--attached:

"Credit card acceptance approved by Assembly," 12-19-95, Asbury Park Press.

KBP:pp

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 19, 1994

By Senators MATHEUSSEN, McGreevey,
Assemblywoman Murphy, Assemblymen DeCroce and Felice

1 AN ACT ¹[authorizing the judiciary to accept payment of fines
2 and other judicially imposed financial obligations by credit card
3 and supplementing] concerning card and other electronic based
4 payments for obligations and fines owed local units and courts
5 and supplementing chapter 5 of Title 40A and¹ Title 2B of the
6 New Jersey Statutes.

7
8 BE IT ENACTED *by the Senate and General Assembly of the*
9 *State of New Jersey:*

10 ¹[1. a. Notwithstanding the provisions of any other law to the
11 contrary, the Superior Court, the Tax Court and the various
12 municipal and joint municipal courts are hereby authorized to
13 establish systems to accept the payment of fines, penalties and
14 other judicially imposed financial obligations by credit card or
15 any other method deemed feasible by the court.

16 b. Any court establishing a system whereby fines, penalties
17 and other judicially imposed financial obligations may be paid by
18 credit card may assess a person choosing to pay by that method
19 any service fee charged by the issuer of the credit card as the
20 result of that transaction.

21 c. The Supreme Court of the State of New Jersey shall adopt
22 Rules of Court appropriate or necessary to effectuate the
23 purpose of this act.]¹

24 ¹[2. This act shall take effect immediately.]¹

25 ¹1. This act shall be known and may be cited as the
26 "Government Electronic Payment Acceptance Act."¹

27 ¹2. As used in this act:

28 ²"Association" means an organization whose members are
29 issuers.²

30 "Cardholder" means the person or organization named on the
31 face of a credit card or debit card to whom or for whose benefit
32 the credit card or debit card is issued by an issuer.

33 "Card based payment" means a monetary obligation tendered
34 by the user of a credit card or debit card.

35 "Card payment system" means a technical procedure by which
36 obligations owed a local unit or court may be paid by credit card
37 or debit card.

38 "Credit card" means any instrument or device linked to an
39 established line of credit, whether known as a credit card, charge
40 card, credit plate, or by any other name, issued with or without
41 fee by an issuer for the use of the cardholder in satisfying
42 outstanding financial obligations, obtaining money, goods,
43 services or anything else of value on credit.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ALG committee amendments adopted December 4, 1995.

² Assembly floor amendments adopted December 11, 1995.

³ Assembly floor amendments adopted December 18, 1995.

1 "Debit card" means any instrument or device, whether known
2 as a debit card, automated teller machine card, or by any other
3 name, issued with or without fee by an issuer for the use of the
4 cardholder in obtaining money, goods, services or anything else of
5 value through the electronic authorization of a financial
6 institution to debit the cardholder's account.

7 "Director" means the Director of the Division of Local
8 Government Services in the Department of Community Affairs.

9 "Electronic funds transfer" means any transfer of funds, other
10 than a transaction originated by check, draft, or similar paper
11 instrument, that is initiated through an electronic terminal,
12 telephone, or computer or magnetic tape for the purpose of
13 ordering, instructing or authorizing a financial institution to debit
14 or credit an account.

15 "Electronic funds transfer system" means a technical
16 procedure by which obligations owed to or collected by the
17 Supreme Court, the Superior Court, Tax Court or a local unit may
18 be paid by an electronic transaction between the financial
19 institution of the person or organization owing the obligation and
20 the financial institution of the governmental entity.

21 "Issuer" means the ²[business organization or]² ³business
22 organization or³ financial institution which issues a credit card or
23 debit card, or its duly authorized agent.

24 "Local unit" means any unit of government subject to the
25 provisions of chapters 5 or 5A of Title 40A of the New Jersey
26 Statutes, and the constituent parts of those units, including but
27 not limited to independent local authorities, public libraries,
28 municipal courts and joint municipal courts.

29 "Service charge" means a fee charged by the Supreme Court,
30 the Superior Court, Tax Court or local unit in excess of the total
31 obligation owed by a person or organization to offset processing
32 charges or discount fees for the use of a card payment system or
33 an electronic funds transfer system.¹

34 ¹3. Subject to the provisions of sections 5 and 6 of P.L. ,
35 c. (C.) (now pending before the Legislature as this bill), a
36 local unit may establish a card payment system or electronic
37 funds transfer system upon passage of a resolution of the
38 governing body. The resolution shall specify those types of
39 charges, taxes, fees, assessments, fines, or other obligations
40 approved for card based or electronic funds transfer payment,
41 except that credit card payment shall not be authorized for the
42 payment of delinquent local unit obligations or for the
43 redemption of local unit liens.¹

44 ¹4. Notwithstanding the provisions of any other law to the
45 contrary and if not legally prohibited ²by an association or² by an
46 issuer, local units are authorized to assess and collect service
47 charges related to obligations owed to or collected by the local
48 unit when credit cards, debit cards or electronic funds transfer
49 systems are utilized.¹

50 ¹5. The director, in accordance with the provisions of the
51 "Administrative Procedure Act, "P.L.1968, c.410 (C.52:14B-1
52 et seq.), shall promulgate such rules and regulations as are
53 necessary to effectuate the purposes of sections 2 through 4 of
54 P.L. , c. (C.) (now pending before the Legislature as
55 this bill).¹

1 16. a. Notwithstanding the provisions of any other law to the
 2 contrary, the Supreme Court, the Superior Court and the Tax
 3 Court, and the various municipal and joint municipal courts when
 4 permitted by resolution of the appropriate municipal governing
 5 bodies, are authorized to establish systems to accept the payment
 6 of ²civil and criminal² fines ²[,] and² penalties and other
 7 judicially imposed financial obligations by card based payment,
 8 electronic funds transfer, or any other method deemed feasible
 9 by the ²[court] Supreme Court².

10 b. No person or organization ²that is a defendant in a criminal
 11 matter² shall be entitled to ²[have outstanding on any credit card
 12 or credit cards a balance of more than \$500 in the aggregate for
 13 any and all criminal fines, criminal penalties or bail obligations]
 14 offer a credit card for the payment of bail or for the payment of
 15 fines or penalties related to the imposition of a sentence, for a
 16 crime of the first, second or third degree under Title 2C of the
 17 New Jersey Statutes².

18 c. If not legally prohibited ²by an association or² by an issuer,
 19 any court is authorized to assess and collect service charges
 20 related to obligations owed to or collected by the court when
 21 credit cards, debit cards or electronic funds transfer systems are
 22 utilized.

23 d. The Supreme Court of the State of New Jersey shall adopt
 24 Rules of Court appropriate or necessary to effectuate the
 25 purposes of this section.¹

26 17. This act shall take effect immediately except for section
 27 3, which shall take effect upon the adoption of the rules and
 28 regulations required in section 5 of this act, and section 6, which
 29 shall take effect upon the adoption of the Rules of Court required
 30 to implement that section.¹

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35 Authorizes local units and courts to permit payment of taxes,
 36 fines, penalties and other financial obligations by credit and debit
 37 cards and electronic funds transfer.

SENATE, No. 1384

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 19, 1994

By Senator MATHEUSSEN

1 AN ACT authorizing the judiciary to accept payment of fines and
2 other judicially imposed financial obligations by credit card and
3 supplementing Title 2B of the New Jersey Statutes.

4

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

7 1. a. Notwithstanding the provisions of any other law to the
8 contrary, the Superior Court, the Tax Court and the various
9 municipal and joint municipal courts are hereby authorized to
10 establish systems to accept the payment of fines, penalties and
11 other judicially imposed financial obligations by credit card or
12 any other method deemed feasible by the court.

13 b. Any court establishing a system whereby fines, penalties
14 and other judicially imposed financial obligations may be paid by
15 credit card may assess a person choosing to pay by that method
16 any service fee charged by the issuer of the credit card as the
17 result of that transaction.

18 c. The Supreme Court of the State of New Jersey shall adopt
19 Rules of Court appropriate or necessary to effectuate the
20 purpose of this act.

21 2. This act shall take effect immediately.

22

23

24 STATEMENT

25

26 This bill would authorize New Jersey's courts, including the
27 municipal courts, to establish systems whereby fines, penalties
28 and other judicially imposed obligations may be paid by credit
29 card. Under this bill, if a person chooses to pay a judicially
30 imposed penalty or obligation by credit card, the court would be
31 authorized to assess that person any service fee charged by the
32 issuer of the credit card as the result of that transaction.

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37 Authorizes the payment of court imposed fines, penalties and
38 other financial obligations by credit card.

ASSEMBLY LOCAL GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 1384

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 4, 1995

The Assembly Local Government Committee favorably reports Senate Bill No. 1384, with committee amendments.

Senate Bill No. 1384, as amended by the committee, would authorize local units of government and the courts in New Jersey to accept credit cards, debit cards and electronic funds transfers for the payment of property taxes, water bills, parking fines, other local obligations, criminal fines and penalties, bail, and other judicially imposed obligations. The bill, as amended, is permissive. The governing body of a local unit would be required to pass a resolution authorizing card based payments and electronic funds transfers for those local obligations specifically set forth in the resolution. Delinquent local obligations and redemption of local liens would not be permitted by credit card. Further, the amendments to the bill would not permit a person to maintain a balance on that person's credit cards of more than \$500 in the aggregate for criminal fines, penalties and bail obligations. The amendments define "local unit" to include counties, municipalities, independent local authorities, public libraries, municipal courts, and joint municipal courts.

The bill, as amended, would permit the courts and local units to pass-on any service charges to the payor only if not legally prohibited from doing so by the card-issuing company. Currently, by contract, virtually all "credit card" companies prohibit merchants, including units of government, from passing-on service charges.

The bill, as amended, would require the adoption of rules and regulations by the Department of Community Affairs before acceptance of card based and electronic funds transfer payments could be implemented by a local unit.

The original bill was applicable only to the court system and the committee amended the bill to expand card and electronic transfer acceptance privileges to local those local units of government subject to the provisions of chapters 5 and 5A of the New Jersey Statutes.

The bill, as amended, is identical to the Assembly committee substitute for Assembly Bill No. 2489, also released by the committee this date.

SENATE JUDICIARY COMMITTEE

STATEMENT TO

SENATE, No. 1384

STATE OF NEW JERSEY

DATED: DECEMBER 8, 1994

The Senate Judiciary Committee reports favorably Senate, No. 1384.

This bill would authorize New Jersey's courts, including the municipal courts, to establish systems whereby fines, penalties and other judicially imposed obligations may be paid by credit card. Under the bill if a person chooses to pay a judicially imposed penalty or obligation by credit card, the court would be authorized to assess that person any service fee charged by the issuer of the credit card as the result of that transaction.