

56:12-1

LEGISLATIVE HISTORY CHECKLIST

(Securities Transactions with broker dealer
--exempt from plain language law)

NJSA 56:12-1

LAWS 1982

CHAPTER 195

Bill No. A433

Sponsor(s) Janiszewski

Date Introduced Pre-filed

Committee: Assembly Banking & Insurance

Senate Labor, Industry & Professions

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly June 21, 1982

Senate Oct. 18, 1982

Date of approval Dec. 8, 1982

Following statements are attached if available:

Sponsor statement Yes ~~No~~

Committee Statement: Assembly Yes ~~No~~

Senate Yes ~~No~~

Fiscal Note Yes ~~No~~

Veto Message ~~Yes~~ No

Message on signing ~~Yes~~ No

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

6/22/81

SEP 1981

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 433

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1982 SESSION

By Assemblyman JANISZEWSKI

AN ACT to exclude ***written agreements involving*** transactions in securities or commodities ***[accounts]*** ***[by broker-dealers registered with the Securities and Exchange Commission]*** **under certain circumstances** from the plain language law and amending P. L. 1980, c. 125.

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

1 1. Section 1 of P. L. 1980, c. 125 (C. 56:12-1) is amended to read
2 as follows:

3 ***1. As used in this act:***

4 ***[1.]** "Consumer contract" means a written agreement in
4A which ***[a natural person]*** ***an individual***:

5 a. Leases or licenses real or personal property;

6 b. Obtains credit;

7 c. Obtains insurance coverage, except insurance coverage con-
8 tained in policies subject to the "Life and Health Insurance Policy
9 Language Simplification Act" (P. L. 1979, c. 167, C. 17B:17-17
10 et seq.);

11 d. Borrow money;

12 e. Purchases real or personal property;

13 f. Contracts for services including professional services.

14 for cash or on credit and the money, property or services are

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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Assembly committee amendments adopted June 14, 1982.

**—Senate committee amendments adopted September 16, 1982.

15 obtained for personal, family or household purposes. "Consumer
16 contract" includes writings required to complete the consumer
17 transaction. "*Consumer contract*" does not include ****[trans-**
18 **actions]**** ****a written agreement involving a transaction**** in
19 securities ***[or commodities]*** ****[accounts]**** with a broker-dealer
20 registered with the Securities and Exchange Commission*, or ****a**
21 **transaction in**** commodities ****[accounts]**** with a futures com-
22 mission merchant registered with the Commodities Futures Trad-
23 ing Commission*.

24 ****["Primary State regulator"]** means a State agency or person
25 that has licensing or general regulatory authority over a creditor,
26 seller, insurer or lessor.**]****

1 2. This act shall take effect immediately.

ASSEMBLY, No. 433

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1982 SESSION

By Assemblyman JANISZEWSKI

AN ACT to exclude transactions in securities or commodities accounts by broker-dealers registered with the Securities and Exchange Commission from the plain language law and amending P. L. 1980, c. 125.

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

1 1. Section 1 of P. L. 1980, c. 125 (C. 56:12-1) is amended to read
2 as follows:

3 1. "Consumer contract" means a written agreement in which a
4 natural person:

5 a. Leases or licenses real or personal property;

6 b. Obtains credit;

7 c. Obtains insurance coverage, except insurance coverage con-
8 tained in policies subject to the "Life and Health Insurance Policy
9 Language Simplification Act" (P. L. 1979, c. 167, C. 17B:17-17
10 et seq.);

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14 for cash or on credit and the money, property or services are
15 obtained for personal, family or household purposes. "Consumer
16 contract" includes writings required to complete the consumer
17 transaction. "Consumer contract" does not include transactions in
18 securities or commodities accounts with a broker-dealer registered
19 with the Securities and Exchange Commission.

20 "Primary State regulator" means a State agency or person that
21 has licensing or general regulatory authority over a creditor, seller,
22 insurer or lessor.

1 2. This act shall take effect immediately.

STATEMENT

This bill excludes transactions in securities or commodities accounts with a broker-dealer registered with the Securities and Exchange Commission from the provisions of the plain language law.

Securities transactions are extensively regulated by the Securities and Exchange Commission. The powers of the commission include authority to regulate the form and format of documents used in securities transactions. Because of this comprehensive regulation of securities transaction, they are exempted from the provisions of the Federal Truth-in-Lending Act. Other states which have enacted plain language laws have excluded securities transactions from their laws.

A433 (1982)

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 433

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 14, 1982

Assembly Bill No. 433 amends what is popularly known as the plain language bill (P. L. 1980, c. 125) so as to exclude therefrom securities and commodities account transactions by broker-dealers registered with the Securities and Exchange Commission. The sponsor's statement on the bill notes that documents used in such transactions are already regulated as to form and format by the Securities and Exchange Commission and ought therefore to be exempted from State regulation.

Assembly committee amendments are primarily of a technical nature.

SENATE LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 433

[OFFICIAL COPY REPRINT]

with Senate committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 16, 1982

This bill amends the "plain language law" to exclude from that law consumer contracts involving transactions in securities with broker-dealers registered with the Securities and Exchange Commission and transactions in commodities with futures commission merchants registered with the Commodity Futures Trading Commission.

This bill amends a former version of the law and, therefore, was amended by the committee to conform the bill to the language used in P. L. 1981, c. 464, the latest version of the law.

Another technical amendment was made to clarify the language of the bill.

[SENATE REPRINT]
ASSEMBLY, No. 433
[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1982 SESSION

By Assemblyman JANISZEWSKI

AN ACT to exclude ***written agreements involving*** transactions in securities or commodities ****[accounts]**** ****[by broker-dealers registered with the Securities and Exchange Commission]**** **under certain circumstances** from the plain language law and amending P. L. 1980, c. 125.

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9 Language Simplification Act" (P. L. 1979, c. 167, C. 17B:17-17
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19 securities ***[or commodities]*** ****[accounts]**** with a broker-dealer
20 registered with the Securities and Exchange Commission*, or ****a**
21 **transaction in**** commodities ****[accounts]**** with a futures com-
22 mission merchant registered with the Commodities Futures Trad-
23 ing Commission*.

24 ****["Primary State regulator" means a State agency or person**
25 **that has licensing or general regulatory authority over a creditor,**
26 **seller, insurer or lessor.])****

1 2. This act shall take effect immediately.

OFFICE OF THE GOVERNOR

RELEASE: IMMEDIATELY

CONTACT: PAUL WOLCOTT

THURSDAY, DECEMBER 9, 1982

Governor Thomas H. Kean has signed the following bills:

S-1606, sponsored by Senator Matthew Feldman, D-Bergen (identical to A-1742, sponsored by Assemblyman John A. Rocco, R-Camden), which allows school boards to designate a person in addition to the board secretary to audit accounts and demands prior to presentation to the board. The bill simplifies the procedure for a board of education to make payment.

A-433, sponsored by Assemblyman Robert C. Janiszewski, D-Hudson, which excludes from the plain language law written agreements involving transactions in securities or commodities.

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