

56:11-20

LEGISLATIVE HISTORY CHECKLIST
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NJSA: 56:11-20

(Consumer
transactions--by
check--prohibit
recording credit
card number)

LAWS OF: 1991

CHAPTER: 281

Bill No: S3184

Sponsor(s): Feldman & others

Date Introduced: January 8, 1991

Committee: Assembly: Consumer

Senate: Labor

Amended during passage: Yes Amendments during passage
denoted by asterisks.

Date of Passage: Assembly: June 24, 1991
Senate: March 4, 1991

Date of Approval: September 18, 1991

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 clippings--attached:
KBG/SLJ

[FIRST REPRINT]
SENATE, No. 3184

STATE OF NEW JERSEY

INTRODUCED JANUARY 8, 1991

By Senators FELDMAN, O'CONNOR, STOCKMAN,
AMBROSIO, CONTILLO and RICE

1 AN ACT limiting a merchant's use of credit card information
2 when accepting a check for a consumer transaction.

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

6 1. As used in this act:

7 "Charge card" means a credit card on an account for which no
8 periodic rate is used to compute a finance charge.

9 "Check" means a demand draft drawn on or payable through an
10 office of a depository institution located in the United States
11 that has imprinted on it the account holder's name and the
12 depository institution's name, location and routing number.

13 "Consumer" means a natural person.

14 "Consumer transaction" means the sale of goods, services or
15 anything of value to a consumer, primarily for personal, family or
16 household purposes ¹, but does not include the cashing of a check
17 by a depository institution¹.

18 "Credit card" means any card, plate, coupon book, or other
19 single credit device that may be used from time to time to obtain
20 credit.

21 "Depository institution" means a state or federally chartered
22 bank, savings bank, savings and loan association or credit union.

23 2. ¹a.¹ No person ¹[which accepts a check for] who receives a
24 check in payment of an obligation resulting from¹ a consumer
25 transaction and which as a condition of such acceptance requires
26 that the check drawer provide a credit card or charge card, shall
27 record on the check or elsewhere, the card account number.
28 Nothing in this section shall be construed to prohibit any person,
29 as a condition for the acceptance of a check in payment for a
30 consumer transaction from doing either or both of the following:

31 ¹[a.] (1)¹ Requesting a consumer to display a credit card or
32 charge card as a means of identification, or as an indication of
33 credit worthiness or financial responsibility;

34 ¹[b.] (2)¹ Recording on the check the type of credit card or
35 charge card so displayed and the credit card or charge card
36 expiration date.

37 ¹b.¹ Nothing in this section shall ¹[require] :

38 (1) Require¹ any person to accept a check in payment for a

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 ACO committee amendments adopted June 10, 1991.

1 consumer transaction regardless of whether a credit card or
2 charge card is displayed ¹; or

3 (2) Prohibit a person from recording a credit card number and
4 expiration date on a check as the condition for cashing or
5 accepting that check where that person has agreed with the card
6 issuer to cash or accept checks from the issuer's cardholders and
7 where the issuer guarantees those cardholders' checks¹.

8 3. Any person who violates any provision of this act shall be
9 liable to a civil penalty of not more than \$250 for a first offense
10 and not more than \$1,000 for a second and each subsequent
11 offense. Any penalty imposed pursuant to this section shall be
12 collected by summary proceedings instituted in the name of the
13 Attorney General in accordance with "the penalty enforcement
14 law," N.J.S.2A:58-1 et seq.

15 4. The Attorney General of the State of New Jersey may
16 promulgate regulations pursuant to the "Administrative
17 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), necessary
18 to effectuate the purposes of this act.

19 5. This act shall take effect on the 180th day after the date of
20 enactment.

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CONSUMER AFFAIRS

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25 Limits a merchant's use of credit card information when
26 accepting a check for a consumer transaction.

1 collected by summary proceedings instituted in the name of the
2 Attorney General in accordance with "the penalty enforcement
3 law," N.J.S.2A:58-1 et seq.

4 4. The Attorney General of the State of New Jersey may
5 promulgate regulations pursuant to the "Administrative
6 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), necessary
7 to effectuate the purposes of this act.

8 5. This act shall take effect on the 180th day after the date of
9 enactment.

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STATEMENT

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This bill prohibits a person who accepts a check for a consumer transaction, from requiring the consumer to provide credit card or charge card information for recordation on the check.

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The bill does permit a person to request that the consumer display a credit card or charge card as a means of identification and to record the type of credit card or charge card and the expiration date on the check.

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The bill provides for a civil penalty of not more than \$250 for a first violation and of not more than \$1,000 for each subsequent violation.

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CONSUMER AFFAIRS

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Limits a merchant's use of credit card information when accepting a check for a consumer transaction.

ASSEMBLY CONSUMER AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 3184

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 10, 1991

The Assembly Consumer Affairs Committee favorably reports Senate Bill No. 3184 with committee amendments.

Senate Bill No. 3184, as received by the committee, would prohibit a merchant or other person from recording a consumer's credit or charge card account number on a check or elsewhere when a check is used to purchase consumer goods or services. The bill does, however, provide that when a check is used in the purchase of consumer goods or services, a consumer may be required to display a credit or charge card as a means of identification or as an indication of credit worthiness and the merchant or other person may record on the check the type of credit or charge card and its expiration date.

The committee, at the request of the sponsor, adopted two amendments to the bill. The first clarifies that the consumer transactions subject to the provisions of the bill do not include the cashing of checks by a depository institution. The second clarifies that the bill's provisions do not apply to certain credit card or charge card checking services where the person receiving or accepting the check has agreed with the card issuer to cash or accept checks from a cardholder and where the card issuer guarantees that cardholder's check.

Any person who violates the provisions of this bill is subject to a civil penalty of not more than \$250. For each subsequent offense, the violator is subject to a penalty of not more than \$1,000.

SENATE LABOR, INDUSTRY AND PROFESSIONS COMMITTEE

STATEMENT TO

SENATE, No. 3184

STATE OF NEW JERSEY

DATED: JANUARY 17, 1991

The Senate Labor, Industry and Professions Committee reports favorably Senate, No. 3184.

This bill prohibits a merchant or other person from recording a consumer's credit or charge card account number on a check or elsewhere when a check is used to purchase consumer goods or services. However, the bill specifically provides that when a check is used in the purchase of consumer goods or services, a consumer may be required to display a credit or charge card as a means of identification or as an indication of credit worthiness and the merchant or other person may record on the check the type of credit or charge card and its expiration date.

Any person who violates any provision of the bill would be subject to a civil penalty of not more than \$250 for a first offense and not more than \$1,000 for a second and each subsequent offense.