

40:5-19

LEGISLATIVE HISTORY CHECKLIST  
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NJSA: 40:5-19 (Counties--establish service charge for  
bounced checks)

LAWS OF: 1991 CHAPTER: 339

Bill No: S3327

Sponsor(s): Cowan

Date Introduced: March 4, 1991

Committee: Assembly: ---

Senate: County & Municipal Government

Amended during passage: No

Date of Passage: Assembly: December 2, 1991

Senate: July 29, 1991

Date of Approval: January 6, 1992

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: No

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: No

Following were printed:

Reports: No

Hearings: No

KBG/dgw

P.L.1991, CHAPTER 339, approved January 6, 1992  
1991 Senate No. 3327

1 AN ACT concerning service charges by counties for certain  
2 checks which are returned for insufficient funds and  
3 supplementing Title 40 of the Revised Statutes.

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

7 1. a. The governing body of a county may provide, by  
8 resolution or ordinance, as appropriate, for the imposition of a  
9 service charge to be added to any account owing to the county, if  
10 payment tendered on the account was by a check or other written  
11 instrument which was returned for insufficient funds.

12 b. The service charge for a check or other written instrument  
13 returned for insufficient funds shall be determined and set by  
14 resolution or by ordinance of the governing body, as appropriate,  
15 from time to time, but shall not exceed \$20 per check or other  
16 written instrument.

17 c. Any service charge authorized by this section shall be  
18 collected in the same manner prescribed by law for the collection  
19 of the account for which the check or other written instrument  
20 was tendered. In addition, the governing body may require future  
21 payments to be tendered in cash or by certified or cashier's  
22 check.

23 2. This act shall take effect immediately.

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26 STATEMENT

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28 This bill would permit the governing body of a county, by  
29 resolution or ordinance, as appropriate, to impose a service  
30 charge for checks, used to tender payment to the county, that are  
31 returned due to insufficient funds. The bill authorizes the  
32 imposition of a service charge of up to \$20 for each item that is  
33 returned due to insufficient funds. The service charge would be  
34 collected in the same manner as the account for which the check  
35 was tendered and the governing body would be permitted to  
36 require future payments on the account to be made in cash or by  
37 certified or cashier's check.

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40 LOCAL GOVERNMENT

41

42 Permits counties to establish service charge for checks returned  
43 for insufficient funds.

SENATE, No. 3327

STATE OF NEW JERSEY

INTRODUCED MARCH 4, 1991

By Senators COWAN and O'CONNOR

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SENATE COUNTY AND MUNICIPAL  
GOVERNMENT COMMITTEE

STATEMENT TO

**SENATE, No. 3327**

**STATE OF NEW JERSEY**

DATED: MAY 13, 1991

The Senate County and Municipal Government Committee reports favorably Senate Bill No. 3327.

Senate Bill 3327 permits the governing body of a county to impose by resolution or ordinance, as appropriate, a service charge for checks, used to tender payment to the county, that are returned due to insufficient funds. The bill authorizes the imposition of a service charge of up to \$20 for each check or written instrument that is returned due to insufficient funds. The service charge shall be collected in the same manner as the account for which the check was tendered and the governing body may require future payments on the account to be made in cash or by certified or cashier's check.

This bill allows county governing bodies to collect a fee for "bad" checks and provides for an alternative means of payment as protection against returns for insufficient funds. The bill provides to counties the same authorization to impose a service charge currently provided to municipalities by section 1 of P.L.1990, c.105 (C.40:5-18).