

ASSEMBLY, No. 658

STATE OF NEW JERSEY

214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

Sponsored by:

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

Assemblyman NELSON T. ALBANO

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman RUBEN J. RAMOS, JR.

District 33 (Hudson)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Co-Sponsored by:

Assemblyman McKeon, Assemblywomen Lampitt, Wagner, Riley and

Assemblyman Biondi

SYNOPSIS

Prohibits certain unsolicited checks.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



1 AN ACT prohibiting certain unsolicited checks and supplementing
2 P.L.1960, c.39 (C.56:8-1 et seq.).

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

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7 1. It shall be an unlawful practice for a person or business to
8 send an unsolicited check to an individual which, upon being
9 cashed or redeemed, automatically obligates the recipient to pay
10 any fee or enrolls that individual in any club, service, plan, or
11 continuing agreement.

12 For the purposes of this act, "unsolicited check" means any
13 check mailed or otherwise delivered to a person, other than:

14 a. In response to a request or application for a check or account
15 by the individual;

16 b. As a substitute for a check or account previously issued to
17 the person to whom the check is mailed or otherwise delivered; or

18 c. A check related to a consumer credit transaction or
19 consumer loan business issued or provided by an insured depository
20 institution as defined in 12 U.S.C. s.1813, a licensee under the New
21 Jersey Licensed Lenders Act, or other financial institution
22 authorized to do business by the New Jersey Department of
23 Banking and Insurance.

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25 2. This act shall take effect on the first day of the third month
26 after enactment.

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STATEMENT

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31 This bill makes it an unlawful practice for a person or business to
32 send an unsolicited check to an individual which, upon being
33 cashed or redeemed, automatically obligates the recipient to pay
34 any fee or enrolls that individual in any club, service, plan or
35 continuing agreement.

36 Certain types of checks are exempted from the provisions of the
37 bill: (1) a check mailed in response to a request or application for a
38 check or account by the individual; (2) a substitute for a check or
39 account previously issued to the person; and (3) a check related to a
40 consumer credit transaction or consumer loan issued by certain
41 types of financial institutions.

42 An unlawful practice under the Consumer Fraud Act is
43 punishable by a monetary penalty of not more than \$10,000 for a
44 first offense and not more than \$20,000 for any subsequent offense.
45 In addition, violations can result in cease and desist orders issued
46 by the Attorney General, the assessment of punitive damages and
47 the awarding of treble damages and costs to the injured party.