

ASSEMBLY, No. 2414

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED FEBRUARY 1, 2018

Sponsored by:
Assemblywoman ANNETTE QUIJANO
District 20 (Union)

SYNOPSIS

“Free Means Free Act”; prohibits misleading advertising of free products.

CURRENT VERSION OF TEXT

As introduced.



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1 AN ACT concerning misleading advertising 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. This act shall be known and may be cited as the “Free Means
8 Free Act.”

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10 2. As used in this act:

11 “Contracted service” means a service offered for sale or sold and
12 agreed to in a contract between a provider and a person.

13 “Product” means any device, equipment, item, or other product
14 offered for sale or sold in this State, including products offered for
15 sale or sold in conjunction with a contracted service.

16 “Provider” means a person that sells or offers to sell a contracted
17 service.

18 “Ultimate cost” means the final cost of a product sold or offered
19 for sale, or provided in conjunction with a contracted service, as a
20 sum of all yearly, monthly, or otherwise divided or totaled
21 payments, and including any shipping, activation, cancellation,
22 return, or restocking fees associated with the product, and
23 contracted service if applicable.

24

25 3. a. It shall be an unlawful practice and a violation of
26 P.L.1960, c.39 (C.56:8-1 et seq.) for a person to sell or offer for sale
27 any product if the person fails to clearly and conspicuously disclose
28 the ultimate cost of the product, including the ultimate cost after the
29 assessment of any fees in the event that the person cancels or
30 terminates a contracted service with a provider or returns the
31 product to the seller or provider.

32 b. A person shall clearly and conspicuously indicate, at the
33 point of sale or contract agreement, the ultimate cost of any product
34 offered for sale or sold by a person, including:

35 (1) whether the cost of the product was offered by the seller or
36 provider as free or at a reduced rate, as part of the sale or contract;

37 (2) the retail value of the product and any associated subsidy
38 offered by the seller or provider;

39 (3) any cancellation fee to be assessed by the provider if the
40 person cancels or terminates the contract, including, if applicable,
41 any formula used to determine the total cancellation fee; and

42 (4) any return or restocking fee to be assessed by the seller or
43 provider if the person returns the product.

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.

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- 1 (3) any cancellation fee to be assessed by the provider if the
2 person cancels or terminates the contract, including, if applicable,
3 any formula used to determine the total cancellation fee; and
4 (4) any return or restocking fee to be assessed by the seller or
5 provider if the person returns the product.
- 6 An unlawful practice under the consumer fraud act is punishable
7 by a monetary penalty of not more than \$10,000 for a first offense
8 and not more than \$20,000 for any subsequent offense.
9 Additionally, violations can result in cease and desist orders issued
10 by the Attorney General, the assessment of punitive damages, and
11 the awarding of treble damages and costs to the injured party.