

ASSEMBLY, No. 314

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman JOE DANIELSEN

District 17 (Middlesex and Somerset)

Assemblyman JAMEL C. HOLLEY

District 20 (Union)

SYNOPSIS

Requires financial institutions to cash payroll checks under certain circumstances.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning financial institutions and check cashing
2 practices and supplementing Title 17 of the Revised Statutes.

3

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

6

7 1. As used in this act:

8 “Financial institution” means a State or federally chartered bank,
9 savings bank, savings and loan association or credit union doing
10 business in the State.

11 “Minor” means an individual who is under 18 years of age.

12 “Payroll check” means a check issued by an employer to its
13 employee in payment of salary or wages for services rendered by
14 the employee.

15

16 2. Notwithstanding any other law to the contrary, a financial
17 institution shall, upon the request of any person, including a minor,
18 who presents a payroll check and who provides photographic
19 identification indicating that he or she is the payee on that payroll
20 check, cash the check without charging any fee for that service, as
21 long as the person has an account with that financial institution or
22 the check is drawn on that institution.

23

24 3. A financial institution which violates a provision of this act
25 shall:

26 a. be subject to a fine of not more than \$500 for each violation,
27 which shall be collected by the Commissioner of Banking and
28 Insurance in a summary manner pursuant to the “Penalty
29 Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.);
30 and

31 b. reimburse the person for any attorney’s fees incurred by the
32 person with respect to any legal services necessary to enforce the
33 person’s rights under this act or to bring a civil action to recover
34 damages caused by the financial institution’s failure to comply with
35 the provisions of this act.

36

37 4. This act shall take effect on the 90th day next following
38 enactment.

39

40

41

STATEMENT

42

43 This bill provides that, notwithstanding any other law to the
44 contrary, a financial institution shall, upon the request of a person,
45 including a minor, who presents a payroll check and who provides
46 photographic identification indicating that he or she is the payee on
47 that payroll check, cash the check without charging any fee for that

1 service, as long as the person has an account with that financial
2 institution or the check is drawn on that institution.

3 A financial institution that violates a provision of this bill shall:

4 (1) be subject to a fine of not more than \$500 for each violation.

5 The fine shall be collected by the Commissioner of Banking and

6 Insurance in a summary manner pursuant to the “Penalty

7 Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.);

8 and (2) reimburse the person for any attorney’s fees incurred by the

9 person with respect to any legal services necessary to enforce the

10 person’s rights under the bill or to bring a civil action to recover

11 damages caused by the financial institution’s failure to comply with

12 the provisions of the bill.