

**ASSEMBLY, No. 4130**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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INTRODUCED MAY 4, 2020

**Sponsored by:**  
**Assemblyman LOUIS D. GREENWALD**  
**District 6 (Burlington and Camden)**

**SYNOPSIS**

Clarifies that local governments may accept certain electronic payments.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning the receipt of electronic payments by local  
2 governments and amending P.L.1995, c.325.

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

6  
7 1. Section 2 of P.L.1995, c.325 (C.40A:5-44) is amended to  
8 read as follows:

9 2. As used in this act:

10 "Association" means an organization whose members are issuers.

11 "Cardholder" means the person or organization named on the  
12 face of a credit card or debit card to whom or for whose benefit the  
13 credit card or debit card is issued by an issuer.

14 "Card based payment" means a monetary obligation tendered by  
15 the user of a credit card or debit card.

16 "Card payment system" means a technical procedure by which  
17 obligations owed a local unit or court may be paid by credit card or  
18 debit card.

19 "Credit card" means any instrument or device linked to an  
20 established line of credit, whether known as a credit card, charge  
21 card, credit plate, or by any other name, issued with or without fee  
22 by an issuer for the use of the cardholder in satisfying outstanding  
23 financial obligations, obtaining money, goods, services or anything  
24 else of value on credit.

25 "Debit card" means any instrument or device, whether known as  
26 a debit card, automated teller machine card, or by any other name,  
27 issued with or without fee by an issuer for the use of the cardholder  
28 in obtaining money, goods, services or anything else of value  
29 through the electronic authorization of a financial institution to  
30 debit the cardholder's account.

31 "Director" means the Director of the Division of Local  
32 Government Services in the Department of Community Affairs.

33 "Electronic funds transfer" means any transfer of funds, other  
34 than a transaction originated by check, draft, or similar paper  
35 instrument, that is initiated through an electronic terminal,  
36 telephone, or computer or magnetic tape for the purpose of  
37 ordering, instructing or authorizing a financial institution to debit or  
38 credit an account, and includes an in-person funds transfer and an  
39 online funds transfer.

40 "Electronic funds transfer system" means a technical procedure  
41 by which obligations owed to or collected by the Supreme Court,  
42 the Superior Court, Tax Court or a local unit may be paid by an  
43 electronic transaction between the financial institution of the person  
44 or organization owing the obligation and the financial institution of  
45 the governmental entity.

**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.

(cf: P.L.1995, c.325, s.2)

2. This act shall take effect immediately.

This bill would clarify that local governments may accept specific types of electronic payments. Namely, this bill would allow local governments to accept payments through in-person-based electronic transfer services, such as a Western Union kiosk, as well as Internet-based electronic transfer systems, such as PayPal and Venmo. The enhanced flexibility provided by this bill to make remote, electronic payments to local governments is of particular importance in light of the social distancing required by the current COVID-19 crisis.