

ASSEMBLY, No. 5204

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JANUARY 4, 2021

Sponsored by:

Assemblyman KEVIN J. ROONEY

District 40 (Bergen, Essex, Morris and Passaic)

Assemblyman CHRISTOPHER P. DEPHILLIPS

District 40 (Bergen, Essex, Morris and Passaic)

SYNOPSIS

Prohibits use of deposit funds by event venues for certain purposes; establishes certain requirements for event venues during declared public health emergencies.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/7/2021)

1 AN ACT concerning event venues and supplementing P.L.1960, c.39
2 (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. a. (1) It shall be an unlawful practice and a violation of
8 P.L.1960, c.39 (C.56:8-1 et seq.) for an event venue to use funds
9 from a deposit paid by a customer pursuant to a contract for an
10 event to be held, hosted, or otherwise provided by the event venue
11 for any purpose other than the event for which the customer made
12 the deposit.

13 (2) The prohibition set forth in paragraph (1) of subsection a. of
14 this section shall include, but not be limited to, the use of deposit
15 funds to pay:

16 (a) monthly or other regular expenses incurred by the event
17 venue;

18 (b) outstanding debts owed by the event venue; and

19 (c) any portion of another event held, hosted, or otherwise
20 provided by the event venue.

21 b. During a public health emergency, declared by the Governor
22 pursuant to the "Emergency Health Powers Act," P.L.2005, c.222
23 (C.26:13-1 et seq.), it shall be an unlawful practice and a violation
24 of P.L.1960, c.39 (C.56:8-1 et seq.) for an event venue to:

25 (1) charge a fee or withhold the refund of deposit funds from a
26 customer who cancels an event due to the public health emergency,
27 including the cancellation of an event by the customer if the
28 circumstances of the public health emergency would not permit the
29 event venue to hold, host, or otherwise provide the event as
30 specified in the contract;

31 (2) refuse to permit or charge a fee to a customer to change the
32 date of an event or the scale of an event due to the public health
33 emergency; and

34 (3) charge a fee to a customer in addition to any fees set forth in
35 the contract for any expenses incurred by the event venue to hold,
36 host, or otherwise provide the event in compliance with legal
37 requirements related to the public health emergency.

38 c. For the purposes of subsection a. and b. of this section,
39 "event venue" means a catering facility, restaurant, hotel, or other
40 venue that contracts with customers to hold, host, or otherwise
41 provide space for social events including, but not limited to,
42 weddings, lifetime milestone events, and other cultural, political, or
43 educational events.

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45 2. This act shall take effect immediately.

STATEMENT

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This bill makes it an unlawful practice under P.L.1960, c.39 (C.56:8-1), the consumer fraud act, for an event venue to use deposit funds for any purpose other than the event for which a customer paid the deposit. The bill additionally makes it an unlawful practice for an event venue to engage in certain activity during a public health emergency declared by the Governor.

Under the bill, it would be an unlawful practice and a violation of the consumer fraud act for an event venue to use funds from a deposit paid by a customer pursuant to a contract for an event to be held, hosted, or otherwise provided by the event venue for any purpose other than the event for which the customer made the deposit.

The prohibition would include, but not be limited to the use of deposit funds to pay monthly or other regular expenses incurred by the event venue; outstanding debts owed by the event venue; and any portion of another event held, hosted, or otherwise provided by the event venue.

Additionally, the bill provides that during a declared public health emergency, it would be an unlawful practice and a violation of the consumer fraud act for an event venue to:

- (1) charge a fee or withhold the refund of deposit funds from a customer who cancels an event due to the public health emergency, including the cancellation of an event by the customer if the circumstances of the public health emergency would not permit the event venue to hold, host, or otherwise provide the event as specified in the contract;
- (2) refuse to permit or charge a fee to a customer to change the date of an event or the scale of an event due to the public health emergency; and
- (3) charge a fee to a customer in addition to any fees set forth in the contract for any expenses incurred by the event venue to hold, host, or otherwise provide the event in compliance with legal requirements related to the public health emergency.

The bill defines “event venue” as a catering facility, restaurant, hotel, or other venue that contracts with customers to hold, host, or otherwise provide space for social events including, but not limited to, weddings, lifetime milestone events, and other cultural, political, or educational events.

An unlawful practice under the consumer fraud act is punishable by a monetary penalty of not more than \$10,000 for a first offense and not more than \$20,000 for any subsequent offense. In addition, a violation can result in cease and desist orders issued by the Attorney General, the assessment of punitive damages, and the awarding of treble damages and costs to the injured.