

SENATE, No. 2364

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED APRIL 13, 2020

Sponsored by:
Senator NELLIE POU
District 35 (Bergen and Passaic)

SYNOPSIS

Clarifies that local governments may accept certain electronic payments.

CURRENT VERSION OF TEXT

As introduced.



S2364 POU

2

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

3

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

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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.

1 “In-person funds transfer” means any transfer of funds through a
2 service that accepts a payment made in-person, by any method, and
3 then transmits those funds to a payee by electronic funds transfer.

4 "Issuer" means the business organization or financial institution
5 which issues a credit card or debit card, or its duly authorized agent.

6 "Local unit" means any unit of government subject to the
7 provisions of chapter 5 or 5A of Title 40A of the New Jersey
8 Statutes, and the constituent parts of those units, including but not
9 limited to independent local authorities, public libraries, municipal
10 courts and joint municipal courts.

11 “Online funds transfer” means any Internet-based transfer of
12 funds through an Internet-based payment system.

13 "Service charge" means a fee charged by the Supreme Court, the
14 Superior Court, Tax Court or local unit in excess of the total
15 obligation owed by a person or organization to offset processing
16 charges or discount fees for the use of a card payment system or an
17 electronic funds transfer system.

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

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20 2. This act shall take effect immediately.

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STATEMENT

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