

[First Reprint]
ASSEMBLY, No. 651

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen IMPREVEDUTO and COHEN

1 AN ACT concerning the sale of gray market goods 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 "Gray Market
8 Goods Warranty Disclosure Act."

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10 2. As used in this act:

11 "Gray market goods" means consumer goods bearing a trademark
12 and normally accompanied by an express written warranty valid in the
13 United States of America which is imported into the United States
14 through channels other than the manufacturer's authorized United
15 States distributor, and which is not accompanied by the manufacturer's
16 express written warranty valid in the United States.

17 "Retail mercantile establishment" means any place of business
18 where merchandise is exposed or offered for sale at retail to members
19 of the consuming public.

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21 3. a. It shall be an unlawful practice for a retail mercantile
22 establishment to sell or offer to sell gray market goods unless it posts
23 a conspicuous sign at the point of display and affixes to a product or
24 its package a conspicuous ticket, label or tag disclosing any or all of
25 the following, whichever is applicable:

26 (1) The item is not covered by a manufacturer's express written
27 warranty valid in the United States;

28 (2) ¹**[The] When an item ¹uses electrical current, if the item¹ is
29 not compatible with United States electrical currents;**

30 (3) ¹**[The] When an item ¹uses broadcast frequencies, if the item¹
31 is not compatible with United States broadcast frequencies;**

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ACP committee amendments adopted February 5, 1996.

- 1 (4) Replacement parts are not available through the manufacturer's
2 United States distributors;
- 3 (5) Compatible accessories are not available through the
4 manufacturer's United States distributors;
- 5 (6) ¹[The] When it is an industry practice for instructions in
6 English to accompany an item, if the¹ item is not accompanied by
7 instructions in English;¹ and¹
- 8 (7) ¹[The]¹ When it is an industry practice for an item to be eligible
9 periodically for a manufacturer's rebate, if the¹ item is not eligible for
10 a manufacturer's rebate ¹[; and
- 11 (8) Any other incompatibility or nonconformity with relevant
12 domestic standards known to the seller]¹.
- 13 b. The disclosures described in subsection a. of this section shall
14 not be required to be made by a retail mercantile establishment with
15 respect to gray market goods that are accompanied by an express
16 written warranty offered by the retail mercantile establishment,
17 provided that each of the following conditions is satisfied:
- 18 (1) The protections and other benefits that are provided to the
19 buyer by the express written warranty provided by the retail mercantile
20 establishment are equal to or better than the protections and other
21 benefits that are provided to buyers in the United States of America by
22 the manufacturer's express written warranty that normally accompanies
23 the goods;
- 24 (2) The retail mercantile establishment has posted a conspicuous
25 sign at the product's point of sale or display, or has affixed to the
26 product or its package a conspicuous ticket, label or tag that informs
27 prospective buyers that copies of all warranties applicable to the
28 products offered for sale by the retail mercantile establishment are
29 available to prospective buyers for inspection upon request; and
- 30 (3) The retail mercantile establishment has complied with the
31 provisions on presale availability of written warranties as prescribed
32 in 15 U.S.C. §2302(b)(1)(A) and the regulations adopted pursuant to
33 that act, at 16 C.F.R. §702.1 et seq.
- 34
- 35 4. Every retail mercantile establishment which offers for sale gray
36 market goods shall disclose in any advertisement of those goods the
37 disclosures prescribed in section 2 of this act. The disclosures shall be
38 made in a type of conspicuous size.
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- 40 5. The Director of the Division of Consumer Affairs in the
41 Department of Law and Public Safety may promulgate regulations
42 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
43 (C.52:14B-1 et seq.), to effectuate the provisions of this act.

1 6. This act shall take effect on the first day of the fourth month
2 following enactment.

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8 "Gray Market Goods Warranty Disclosure Act."