

ASSEMBLY, No. 1251

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman AZZOLINA

1 AN ACT authorizing the creation of a State-sponsored affinity card  
2 and allocating fees collected therefrom to certain economic  
3 development funds.

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

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8 1. As used in this act:

9 "Affinity card" means a credit or debit card bearing the name of the  
10 sponsoring entity and whose credit or deposit account is held and  
11 managed by the credit or debit card issuer.

12 "Credit" means the right to defer payment of debt or the right to  
13 incur debt and defer its payment.

14 "Credit card" means any instrument or device, whether known as a  
15 credit card, credit plate, or by any other name, issued by an issuer for  
16 the use of the cardholder in obtaining money, goods, services, or  
17 anything else of value on credit.

18 "Debit card" means any card or devices which access a cardholder  
19 deposit account with or without a line of credit.

20 "Financial institution" means a State or federally chartered bank,  
21 savings bank or savings and loan association with its headquarters and  
22 card processing unit located in this State and which is directly licensed  
23 by VISA or Mastercard for processing credit transactions and a direct  
24 member of the MAC and NYCE networks for processing debit  
25 transactions.

26 "Issuer" means the financial institution which issues a credit or debit  
27 card or its duly authorized agent.

28 "Sponsoring entity" means an entity that contracts with a particular  
29 financial institution whereby the financial institution agrees to be an  
30 issuer of an affinity card bearing the sponsoring entity's name in  
31 exchange for a fee.

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33 2. a. The Department of the Treasury is authorized to participate  
34 in an affinity card program for the benefit of the State. Within six  
35 months of the effective date of this act, the State Treasurer shall  
36 determine which financial institutions in the State issue or are able to  
37 issue affinity cards and develop and submit to these financial

1 institutions a request for proposal for a New Jersey affinity card  
2 program.

3 b. Based on responses by financial institutions to its request for  
4 proposal, if the State Treasurer determines that it is feasible for the  
5 State to be a sponsoring entity for an affinity card, the Treasurer is  
6 authorized to enter into a contract with a financial institution to be the  
7 issuer of the New Jersey affinity card and to negotiate with the  
8 financial institution the most favorable rate for the State's fee.

9 c. Upon entering into a contract with a financial institution  
10 pursuant to subsection b. of this section, the department shall notify all  
11 State agencies possessing any credit or debit card to replace any such  
12 cards with the State-sponsored affinity card as soon as is reasonably  
13 practicable and to use the affinity card for all new orders for which an  
14 agency normally uses a credit or debit card.

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16 3. a. The moneys received from any fees collected pursuant to this  
17 act shall be deposited with the State Treasurer for use by the New  
18 Jersey Economic Development Authority to purchase stock in the  
19 export financing company established pursuant to P.L.1995, c.209  
20 (C.34:1B-93 et seq.).

21 b. If the State Treasurer determines that the authority and other  
22 public entities have purchased 49% of the total outstanding stock of  
23 the export financing company, any additional moneys received from  
24 fees collected pursuant to this act shall be deposited with the State  
25 Treasurer for use by the authority to further promote public and  
26 private partnerships and the formation of regional business networks  
27 as recommended by the Governor's Economic Master Plan  
28 Commission and the Assembly Task Force on Business Retention,  
29 Expansion and Export Opportunities.

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31 4. The State Treasurer shall adopt rules and regulations, pursuant  
32 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1  
33 et seq.), necessary to implement the provisions of this act.

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35 5. This act shall take effect immediately.

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40 Authorizes creation of a State-sponsored affinity card and allocates  
41 fees collected therefrom for export financing and other economic  
42 development purposes.