

ASSEMBLY, No. 1632

STATE OF NEW JERSEY

INTRODUCED MARCH 4, 1996

By Assemblyman JONES

1 AN ACT prohibiting the recording of certain information on checks  
2 under certain conditions and amending P.L.1991, c.281.

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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. Section 1 of P.L.1991, c.281 (C.56:11-20) is amended to read  
8 as follows:

9 1. As used in this act:

10 "Charge card" means a credit card on an account for which no  
11 periodic rate is used to compute a finance charge.

12 "Check" means a demand draft drawn on or payable through an  
13 office of a depository institution located in the United States that has  
14 imprinted on it the account holder's name and the depository  
15 institution's name, location and routing number.

16 "Consumer" means a natural person.

17 "Consumer transaction" means the sale of goods, services or  
18 anything of value to a consumer, primarily for personal, family or  
19 household purposes[, but does not include the cashing of a check by  
20 a depository institution].

21 "Credit card" means any card, plate, coupon book, or other single  
22 credit device that may be used from time to time to obtain credit.

23 "Depository institution" means a state or federally chartered bank,  
24 savings bank, savings and loan association or credit union.  
25 (cf: P.L.1991, c.281, s.1)

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27 2. Section 2 of P.L.1991, c.281 (C.56:11-21) is amended to read  
28 as follows:

29 2. a. No person who receives a check in payment of an obligation  
30 resulting from a consumer transaction or who cashes a check for a  
31 consumer and which as a condition of such acceptance or the cashing  
32 of a check requires that the check drawer provide a credit card or  
33 charge card, shall record on the check or elsewhere, the card account  
34 number. Nothing in this section shall be construed to prohibit any

**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.**

1 person, as a condition for the acceptance of a check in payment for a  
2 consumer transaction or the cashing of a check for a consumer from  
3 doing either or both of the following:

4 (1) Requesting a consumer to display a credit card or charge card  
5 as a means of identification, or as an indication of credit worthiness or  
6 financial responsibility;

7 (2) Recording on the check the type of credit card or charge card  
8 so displayed and the credit card or charge card expiration date.

9 b. Nothing in this section shall:

10 (1) Require any person to accept a check in payment for a  
11 consumer transaction or to cash a check for a consumer regardless of  
12 whether a credit card or charge card is displayed; or

13 (2) Prohibit a person from recording a credit card number and  
14 expiration date on a check as the condition for cashing or accepting  
15 that check where that person has agreed with the card issuer to cash  
16 or accept checks from the issuer's cardholders and where the issuer  
17 guarantees those cardholders' checks.

18 (cf: P.L.1991, c.281, s.2)

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20 3. This act shall take effect immediately.

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#### STATEMENT

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25 This bill prohibits a person, including a depository institution, which  
26 cashes a check for a consumer from recording a charge card or credit  
27 card account number on the check. It does not prohibit a person, as  
28 a condition for cashing a check, from requiring a customer to show a  
29 credit card or charge card and recording the type of card shown and  
30 the expiration date of the card. Under the bill a person, including a  
31 depository institution, is not required to cash a check for a consumer.

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36 Prohibits recording of certain information on checks as a condition for  
37 cashing the checks.