

[First Reprint]

SENATE, No. 1196

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 3, 2020

Sponsored by:

Senator NELLIE POU

District 35 (Bergen and Passaic)

Senator NILSA I. CRUZ-PEREZ

District 5 (Camden and Gloucester)

Co-Sponsored by:

Senator Ruiz

SYNOPSIS

Establishes three year Financial Empowerment Pilot Program.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 17, 2021, with amendments.



(Sponsorship Updated As Of: 6/21/2021)

1 AN ACT establishing the Financial Empowerment Pilot Program.

2

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

5

6 1. a. There is established in the Department of Community
7 Affairs a Financial Empowerment Pilot Program. The purpose of
8 the pilot program shall be to address financial literacy and
9 empowerment issues for economically vulnerable individuals in the
10 State through municipal financial empowerment centers. The
11 municipalities of Camden, ¹New Brunswick,¹ Newark, ¹**[and]**¹
12 Paterson ¹, and Trenton¹ shall participate in the pilot program with
13 the department.

14 b. The pilot program, in consultation with the participating
15 municipality, shall contract with a non-profit provider to establish a
16 financial empowerment center in each of the participating
17 municipalities in a location that is easily accessible to the residents
18 of that municipality. The financial empowerment centers shall
19 facilitate appropriate forums, programs, or initiatives designed to
20 educate the public regarding financial literacy and empowerment
21 and provide personal financial coaching to economically vulnerable
22 individuals.

23 c. The pilot program shall run for a period of three years
24 following establishment of the financial empowerment centers
25 pursuant to this section.

26

27 2. a. The pilot program shall establish metrics and standards
28 to track counseling efforts and results for economically vulnerable
29 individuals, and shall provide methods for implementing those
30 standards at the financial empowerment centers, in the following
31 areas:

32 (1) the opening of or transitioning to a safe and affordable bank
33 account;

34 (2) the establishment of a credit score, or the increase in an
35 existing credit score;

36 (3) the decrease of non-mortgage debt; and

37 (4) the increase in rate of savings.

38 b. The pilot program shall provide the centers with support
39 services, including materials on financial literacy and empowerment
40 for publication and dissemination to the public and shall coordinate
41 the activities of the pilot program with other entities that focus on
42 financial literacy and empowerment, including other State agencies.

43

44 3. a. The program shall submit a report to the Commissioner

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 17, 2021.

1 of Community Affairs no later than two months after the conclusion
2 of the pilot program. The report shall include, at a minimum,
3 information on the counseling efforts and results established and
4 tracked pursuant to subsection a. of section 2 of this act, for each
5 financial empowerment center.

6 b. After receiving the report, the commissioner shall submit a
7 report to the Governor, and to the Legislature pursuant to section 2
8 of P.L.1991, c.164 (C.52:14-19.1), on the implementation and
9 effectiveness of the pilot program no later than two months after the
10 pilot program issues its report to the commissioner. The report
11 shall include the commissioner's recommendation on the
12 advisability of the pilot program's continuation and expansion to
13 additional municipalities in the State.

14

15 4. All monies received by the State from the settlement of the
16 complaint of the Federal Trade Commission against Equifax, Inc.,
17 after accounting for any costs incurred by the Attorney General in
18 participating in the complaint, shall be transferred to the
19 Department of Community Affairs for the purposes of effectuating
20 the provisions of this act. The moneys may also be expended for
21 appropriate and reasonable administrative expenses incurred in the
22 administration of the pilot program by the department.

23

24 5. This act shall take immediately and shall expire upon
25 submission of the final report required to be prepared under section
26 3 of this act.