

**SENATE, No. 3538**

**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

INTRODUCED JANUARY 30, 2023

**Sponsored by:**

**Senator JOSEPH PENNACCHIO**

**District 26 (Essex, Morris and Passaic)**

**SYNOPSIS**

Prohibits institutions of higher education and certain proprietary institutions from withholding transcript due to outstanding student account balance; establishes penalties for noncompliance.

**CURRENT VERSION OF TEXT**

As introduced.



S3538 PENNACCHIO

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1 AN ACT concerning the withholding of student transcripts by  
2 institutions of higher education and certain proprietary  
3 institutions and supplementing Title 18A of the New Jersey  
4 Statutes.

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

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9 1. As used in this act:

10 "Debt" means any money, obligation, claim, or sum, due or  
11 owing, or alleged to be due or owing, from a current or former  
12 student, but does not include the fee, if any, charged to all students  
13 for the actual costs of providing the transcripts.

14 "Institution" means an institution of higher education or a  
15 proprietary institution licensed to offer academic degrees.

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17 2. a. An institution shall not, due to an outstanding balance on  
18 a current or former student's account:

19 (1) refuse to provide a transcript for a current or former student  
20 on the grounds that the student owes a debt;

21 (2) condition the provision of a transcript on the payment of a  
22 debt, other than a fee charged to provide the transcript;

23 (3) charge a higher fee for obtaining a transcript, or provide less  
24 favorable treatment of a transcript request because a current or  
25 former student owes a debt; or

26 (4) use transcript issuance as a tool for debt collection.

27 b. Failure by an institution to provide a transcript within 10  
28 business days of the student's request shall subject the institution to  
29 a penalty of \$500 per day for each day of noncompliance, which  
30 shall be collected in proceedings in accordance with the "Penalty  
31 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

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33 3. This act shall take effect immediately.

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36 STATEMENT

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38 This bill prohibits institutions of higher education and  
39 proprietary institutions licensed to offer academic degrees from  
40 withholding a student's transcript due to an outstanding balance on  
41 the student's account and establishes penalties for noncompliance.

42 This bill prohibits an institution, due to an outstanding balance  
43 on a current or former student's account, from:

44 • refusing to provide a transcript for a current or former  
45 student on the grounds that the student owes a debt;

46 • conditioning the provision of a transcript on the payment of  
47 a debt, other than a fee charged to provide the transcript;

**S3538 PENNACCHIO**

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- 1       • charging a higher fee for obtaining a transcript, or providing  
2       less favorable treatment of a transcript request because a  
3       current or former student owes a debt; or  
4       • using transcript issuance as a tool for debt collection.

5       The bill further provides that failure by an institution to provide  
6       a transcript within 10 business days of the student's request will  
7       subject the institution to a penalty of \$500 per day for each day of  
8       noncompliance.