

# ASSEMBLY, No. 4636

## STATE OF NEW JERSEY 221st LEGISLATURE

INTRODUCED JUNE 25, 2024

**Sponsored by:**

**Assemblywoman BARBARA MCCANN STAMATO**

**District 31 (Hudson)**

**Assemblyman WILLIAM B. SAMPSON, IV**

**District 31 (Hudson)**

**SYNOPSIS**

Requires that notice concerning gift card fraud be posted by retail mercantile establishments that sell gift cards to consumers.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 6/26/2024)

A4636 MCCANN STAMATO, SAMPSON

2

1 AN ACT concerning the sale of gift cards and amending P.L.2021,  
2 c.431.

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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.2021, c.431 (C.56:8-110.1) is amended to  
8 read as follows:

9 1. a. Every retail mercantile establishment in this State that  
10 displays gift cards for sale shall:

11 (1) train employees on how to identify and respond to gift card  
12 fraud. A retail mercantile establishment shall conduct the training in  
13 accordance with guidelines issued pursuant to section 2 of **[this act]**  
14 P.L.2021, c.110 (C.56:8-110.2); and

15 (2) post a notice, in a conspicuous manner at or near the physical  
16 location where gift cards are displayed for sale in the establishment,  
17 to caution consumers about gift card fraud and to instruct consumers  
18 on steps to take if fraud is suspected.

19 b. A retail mercantile establishment that violates the provisions  
20 of this section shall be subject to a civil penalty of \$1,000, which may  
21 be collected and enforced by the Director of the Division of  
22 Consumer Affairs in the Department of Law and Public Safety in a  
23 summary proceeding pursuant to the "Penalty Enforcement Law of  
24 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The Superior Court  
25 shall have jurisdiction of proceedings for the enforcement of the  
26 penalty provided by this section.

27 A violation of this section shall not be considered an unlawful  
28 practice in violation of P.L.1960, c.39 (C.56:8-1 et seq.).

29 c. As used in this section:

30 "Gift card" means a tangible device, whereon is embedded or  
31 encoded in an electronic or other format a value issued in exchange  
32 for payment, which promises to provide to the bearer merchandise of  
33 equal value to the remaining balance of the device.

34 "Merchandise" means any objects, wares, goods, commodities,  
35 services, or anything offered, directly or indirectly, to the public for  
36 sale.

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

40 (cf: P.L.2021, c.431, s.1)

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42 2. This act shall take effect six months after the date of  
43 enactment.

**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.**

STATEMENT

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This bill requires retail mercantile establishments that sell gift cards to display a notice, in a conspicuous manner at or near the physical location where gift cards are displayed for sale in the establishment, to caution consumers about gift card fraud. The notice is to also instruct consumers on steps to take if fraud is suspected. Businesses that sell gift cards can help protect their customers from fraud by placing these notices to raise awareness about the risks of using the gift cards in response to a fraudulent request.