

# LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

**ASSEMBLY, No. 5345**

## **STATE OF NEW JERSEY 221st LEGISLATURE**

DATED: MARCH 27, 2025

### SUMMARY

- Synopsis:** Requires use of merchant category codes for purchases of firearms and ammunition.
- Type of Impact:** Potential annual State expenditure and revenue increases.
- Agencies Affected:** Department of Law and Public Safety; the Judiciary.

#### Office of Legislative Services Estimate

Fiscal Impact	
<b>Potential Annual State Expenditure Increase</b>	Indeterminate
<b>Potential Annual State Revenue Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) finds that the bill will potentially result in increased annual costs to the Office of the Attorney General to the extent the office brings civil actions against individuals who violate the bill's provisions and do not cure the violation. The Judiciary will similarly incur workload increases to adjudicate these cases. The OLS lacks the informational basis to reliably estimate how many of these violations will occur in a given fiscal year to arrive at a cost impact for the bill.
- This bill also may result in additional State revenue from civil penalty payments received from individuals found to have violated the bill's prohibition against establishing the proper merchant codes for firearms and ammunition businesses. The OLS cannot quantify any revenue increase because of insufficient information on the number of cases that will be brought for alleged violations of the prohibition established by the bill and the number of cases that will result in a penalty assessment.

### BILL DESCRIPTION

This bill requires merchant acquirers to use the merchant category code for firearms and ammunition established by the International Organization for Standardization.

Firearms merchants are defined in this bill as a business physically located in New Jersey for which the highest sales value is, or is expected to be, from the combined sale in this State of firearms, firearm accessories, or ammunition, as stated by the business to its merchant acquirer in the ordinary course of business.

The bill authorizes the Office of the Attorney General to bring a civil action against any person that violates the provisions of the bill and who does not cure the violation. A person determined by a court to have violated the provisions of the bill is subject to: (1) a civil penalty in the amount of \$10,000 for each violation; (2) injunctive relief sufficient to prevent the person from further violations; and (3) reasonable attorney's fees and costs incurred in investigating and bringing an action pursuant to the bill.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

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The bill may also result in additional State revenue from civil penalty payments received from individuals found to have violated the bill's prohibition against assigning the proper merchant codes for firearms and ammunition businesses. The OLS cannot quantify any revenue increase because of insufficient information on the number of cases that will be brought for alleged violations of the prohibition established by the bill and the number of cases that will result in a penalty assessment.

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).