

Governor Phil Murphy

# Governor Murphy Signs Package of Bills Targeting Predatory Financial Practices

08/5/2022

*New Laws Include Measure that Will Toughen New Jersey's Antitrust Laws*

**TRENTON** – Governor Phil Murphy today signed three bills, S-891/A-1557, S-902/A-1559, and A-1556/S-901, protecting New Jersey consumers from predatory financial practices. These new laws include measures that will toughen New Jersey's antitrust laws.

"New Jersey consumers are the heartbeat of our state's economy and it is imperative that we protect them from those who are looking to target their finances," said **Governor Murphy**. "These bills will set new standards for financial service providers to abide by, giving our consumers the protection they need from certain deceptive actors. Our communities of color will particularly benefit from this package of bills as they have experienced these unethical financial practices at a higher rate than others."

"The legislation signed by Governor Murphy today further enhances consumer protections in New Jersey and demonstrates the Administration's ongoing commitment to stand up for our State's residents, especially those most vulnerable to deceptive business practices," said **Acting Attorney General Matthew J. Platkin**. "These laws provide us more legal tools to hold accountable those who seek to take advantage of consumers in our State. And make no mistake, we will hold you accountable under the law."

"The protections signed into law today expand and strengthen the ability of the Division of Consumer Affairs to pursue action against those who violate the rights of consumers through unscrupulous business practices, deceptive service contracts, and predatory tax refund programs," stated **Cari Fais, Acting Director of the NJ Division of Consumer Affairs**. "I commend Governor Murphy and the Legislature for their commitment to protecting New Jersey consumers."

This legislation was initiated by the Division of Consumer Affairs in the Department of Law and Public Safety and will protect consumers from exploitive practices associated with tax preparation and refund services and service contracts by prohibiting misleading marketing and requiring clearer disclosures, as well as financial assurances for service contract providers. These protections are particularly important for socially vulnerable communities, including individuals with low and moderate income and limited English proficiency and people of color, who are often targeted by bad actors in the financial and services sectors.

The legislation will also enhance the ability of the Division and the Attorney General to take enforcement action to protect New Jersey consumers by making clear that abusive commercial practices and violations of federal consumer protection laws are violations of the Consumer Fraud Act, by requiring that private litigants provide notice to the Division of filings in consumer protection cases, and by amending state antitrust law to allow for claims to be brought by parties who are harmed indirectly by anticompetitive action.

The Governor signed the following bills:

**S-891/A-1557 (Scutari, Pou/Moriarty, Stanley, Mukherji)** - Prohibits tax preparers from engaging in certain practices involving refund anticipation checks and loans

**S-902/A-1559 (Pou/Moriarty, Stanley, Benson)** - Imposes certain consumer protection requirements on service contract providers

**A-1556/S-901 (Moriarty, Stanley, Mukherji/Pou)** - Updates notice requirements for actions alleging consumer fraud violations and adds indirect purchasers as parties who can receive damages for antitrust violations

Primary sponsors for the legislation include Senate President Nicholas Scutari, Senator Nellie Pou, Assemblyman Paul Moriarty, Assemblyman Sterley Stanley, Assemblyman Raj Mukherji, and Assemblyman Daniel Benson.

"Getting money sooner sounds good at the surface, but it almost always comes with a catch," said **Senate President Nicholas Scutari**. "This legislation will prevent tax filing services from deceiving residents and taking money out of the pockets of people who need it the most."

"Tax filing season represents a chance for relief for Americans who may face difficulty balancing their household budgets. Although these refunds provide a boost at just the right time for many families, the filing process can be difficult to navigate, and low-income families in need of assistance can find themselves exposed to consumer protection risks when working with tax preparation services," said **Senator Nellie Pou**. "This law will put the onus on tax preparers to explain fully to clients what is involved in a refund anticipation check, and prohibit them from requiring clients to enter into such agreements."

"Unscrupulous advertisements for "free" refund anticipation or loan services have misrepresented service fees for far too long. Residents, many times, are left with hundreds of dollars less in their tax refund checks. This is money out of their pockets and household budgets," said **Assemblyman Raj Mukherji**. "With this new law, we will stop this deceptive practice and ensure consumers have all of the information they need to make the best decision at tax time."

"Consumer protections benefit all New Jerseyans," said **Assemblymen Dan Benson and Sterley Stanley**. "No one should be taken advantage of when going to get their taxes prepared or simply acquiring a service contract for their home. We must hold businesses accountable and ensure New Jersey residents are confident in carrying out their day-to-day purchases."

"Consumers have every right to clear representation of any service offered by a company, especially when it applies to their tax refunds, one of the largest payments an individual receives each year," said **Assemblyman Paul Moriarty**. "This legislation along with the other two measures maintains an even playing field for consumers and businesses. Addressing situations many New Jersey residents have faced, these measures are essential protection for New Jersey consumers."

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