

ASSEMBLY, No. 1215

STATE OF NEW JERSEY

218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblywoman ELIZABETH MAHER MUOIO

District 15 (Hunterdon and Mercer)

Assemblywoman NANCY J. PINKIN

District 18 (Middlesex)

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

Co-Sponsored by:

Assemblywoman Jones and Assemblyman Coughlin

SYNOPSIS

Limits forum of consumer contract disputes to New Jersey.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning the forum of certain consumer contracts and
2 supplementing P.L.1980, c.125 (C.56:12-1 et seq.).

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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. A term or condition in a consumer contract concerning
8 venue, forum, or jurisdiction involving a resident of this State is
9 valid only if that term or condition requires that the dispute is
10 resolved within the State of New Jersey. This requirement may only
11 be waived upon the advice of counsel as evidenced by counsel's
12 signature on the contract.

13 Nothing in this section shall apply to insurance companies duly
14 licensed or authorized to transact business under the insurance laws
15 of this State, or to any eligible surplus lines insurers allowed to
16 conduct business in this State under section 11 of P.L.1960,
17 c.32 (C.17:22-6.45).

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19 2. This act shall take effect on the 90th day following
20 enactment and apply to consumer contracts executed on or after that
21 date.

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STATEMENT

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26 This bill prohibits terms and conditions in a consumer contract
27 that require the dispute be resolved in a venue, forum, or
28 jurisdiction outside of the State of New Jersey. This requirement
29 could only be waived upon the advice of counsel.

30 This bill ensures that consumers are not forced by businesses to
31 resolve their disputes in distant and costly forums. Consumer
32 contracts increasingly contain forum-selection clauses that require
33 litigation or arbitration to take place outside of New Jersey, making
34 dispute resolution costly and difficult for consumers. These
35 contracts are typically standardized forms drafted with no input
36 from the consumer, and are offered on a take-it-or-leave-it basis.
37 The consumer, often the less sophisticated party, agrees to the
38 contract without the benefit of an attorney, and may not be able to
39 afford to travel to resolve a dispute.

40 The bill also exempts insurance companies duly licensed or
41 authorized to transact business under the insurance laws of this
42 State and eligible surplus lines insurers from the consumer contract
43 requirements under the bill. Consequently, these insurance
44 companies and eligible surplus lines insurers could contractually
45 require consumers to arbitrate disputes outside of this State.