

# 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.