SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1125

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 13, 2024

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 1125.

As amended, this bill provides that the failure to return an erroneous electronic payment between individuals to the sender is theft. Where an individual receives an electronic payment from another individual through a payment processor that was delivered under a mistake as to the nature or amount of the transfer or the identity of the recipient, the failure to return the payment to the sender constitutes theft where the recipient knew or should have known that the payment was erroneous. Additionally, the bill adds a definition of "payment processor" to the chapter on theft offenses.

The bill establishes an affirmative defense to a prosecution for theft for failure to return an erroneous electronic payment if the individual returns the funds within 30 days or receipt of the funds or notification that the funds were erroneously transferred.

As amended and reported, this bill is identical to Assembly Bill No. 2946 (1R).

This bill was prefiled for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) stipulate that the failure to return an erroneous electronic payment between individuals to the sender is theft where the individual knows or should have known that they erroneously received the payment; and

(2) establish an affirmative defense to a prosecution for theft for failure to return an erroneous electronic payment if the individual returns the funds within 30 days of receipt of the funds or notification that the funds were erroneously transferred.