

[Third Reprint]

ASSEMBLY, No. 3974

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED FEBRUARY 27, 2024

Sponsored by:

Assemblyman ANTHONY S. VERRELLI

District 15 (Hunterdon and Mercer)

Assemblyman CODY D. MILLER

District 4 (Atlantic, Camden and Gloucester)

Assemblywoman ROSAURA "ROSY" BAGOLIE

District 27 (Essex and Passaic)

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Co-Sponsored by:

Assemblyman Conaway, Assemblywomen McCoy, Hall, Reynolds-Jackson, Peterpaul, Haider, Carter, Donlon, Assemblyman Sampson, Assemblywomen Speight, McCann Stamato, Lampitt, Ramirez, Assemblyman Freiman, Senators Wimberly, O'Scanlon and Diegnan

SYNOPSIS

Prohibits use of deceptive marketing practices by substance use disorder treatment providers.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on March 17, 2025, with amendments.

(Sponsorship Updated As Of: 6/30/2025)

1 AN ACT concerning substance use treatment providers and
 2 supplementing Title 56 of the Revised Statutes.

3
 4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 5 *of New Jersey:*

6
 7 1. As used in this act:

8 ³["Affiliation" means a relationship where one party, directly or
 9 indirectly, through one or more intermediaries, controls, is
 10 controlled by, or is under common control with, the other party.]³

11 "Recovery residence" means ³[housing with a home-like
 12 atmosphere, which is available in either a professionally-managed
 13 facility or a peer-managed facility,] a boarding house licensed by
 14 the Department of Community Affairs³ and which provides a sober
 15 living environment and alcohol- and drug-free living
 16 accommodations to individuals with substance use disorders, or to
 17 individuals with co-occurring mental health and substance use
 18 disorders, but which does not provide clinical treatment services for
 19 mental health or substance use disorders. ³["Recovery residence"
 20 includes, but is not limited to, a facility that is commonly referred
 21 to as a sober living home.]³

22 "Treatment provider" means a facility licensed in accordance
 23 with section 8 of P.L.1975, c.305 (C.26:2B-14) for substance use
 24 disorder treatment or services, ³or³ a substance use disorder
 25 treatment facility issued a certificate of approval pursuant to
 26 P.L.1970, c.334 (C.26:2G-21 et seq.) ³[, or a recovery residence
 27 located within the State]³.

28
 29 2. Any marketing or advertising materials published or
 30 disseminated by a treatment provider ³or a recovery residence³ shall
 31 provide accurate and complete information, in plain language, and
 32 shall include ³[the following]³:

33 a. information on the types and methods of services provided;
 34 b. information about the location in which services are provided;
 35 and
 36 c. the treatment provider's ³or recovery residence's³ name and
 37 brand name ², phone number, mailing address, and business
 38 location address².

39
 40 3. a. It shall be an unlawful practice, pursuant to P.L.1960, c.39
 41 (C.56:8-1 et seq.), for a treatment provider ³or a recovery residence,
 42 as applicable,³ to:

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
 not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AAP committee amendments adopted June 24, 2024.

²Senate SMV committee amendments adopted March 3, 2025.

³Senate SBA committee amendments adopted March 17, 2025.

- 1 (1) make a false or misleading statement about the treatment
2 provider's ³or recovery residence's³ status as an in-network or out-
3 of-network provider;
- 4 (2) provide, or direct any other person or entity to provide, false
5 or misleading information about the identity of, or contact
6 information for, any treatment provider ³or recovery residence³;
- 7 (3) include false or misleading information about the Internet
8 address of any treatment provider's ³or recovery residence's³
9 website, or to surreptitiously direct or redirect a person to another
10 website;
- 11 (4) suggest or imply that ¹[a relationship] an ³[affiliation]¹
12 affiliation³ with another treatment provider ³or recovery residence³
13 exists, unless the other treatment provider ³or recovery residence³
14 has provided express, written consent to indicate that
15 ¹[relationship] ³[affiliation]¹ affiliation³;
- 16 (5) make a false or misleading statement about the substance use
17 disorder treatment services the treatment provider ³or recovery
18 residence³ provides; or
- 19 (6) make a false or misleading statement about the geographic
20 location of the treatment provider ³or recovery residence,³ or the
21 geographic location in which the treatment provider ³or recovery
22 residence³ provides substance use disorder treatment services.
- 23 b. Any treatment provider ³[who] or recovery residence which³
24 violates the provisions of subsection a. of this section shall be liable
25 to a civil penalty of not more than \$20,000 for each violation. The
26 civil penalty shall be collected pursuant to the "Penalty
27 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.),
28 in a summary proceeding before the municipal court having
29 jurisdiction.
- 30 c. ³[Any] ³A³ person who suffers any injury or damages,
31 including, but not limited to, paying for services that were
32 performed in violation of this act, as a result of the use or
33 employment by a treatment provider ³or recovery residence³ of any
34 method, act, or practice declared unlawful under this act may bring
35 an action or assert a counterclaim therefor in any court of competent
36 jurisdiction. In any action under this subsection, the court shall, in
37 addition to any appropriate legal or equitable relief, award threefold
38 the damages sustained by any person in interest. In all actions
39 under this section, the court shall also award reasonable attorney's
40 fees, filing fees, and reasonable costs of suit.
- 41 d. ³(1)³ The Office of Licensing in the Department of Health
42 may investigate ³treatment providers for³ alleged violations of this
43 act. Upon finding a violation, the ³[division] Department of
44 Health³ may suspend or revoke the treatment provider's license or
45 certification, if applicable, or may impose a civil penalty against the
46 treatment provider. If the ³[department] Department of Health³

1 imposes a civil penalty, the civil penalty shall be not more than
2 \$20,000 for each violation.

3 ³(2) The Department of Community Affairs may investigate
4 recovery residences for alleged violations of this act. Upon finding
5 a violation, the Department of Community Affairs may suspend or
6 revoke the recovery residence owner's license or certification, if
7 applicable, or may impose a civil penalty against the recovery
8 residence owner. If the Department of Community Affairs imposes
9 a civil penalty, the civil penalty shall be not more than \$20,000 for
10 each violation.³

11

12 4. This act shall take effect immediately.