

ASSEMBLY, No. 609

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman LUSTBADER

1 AN ACT creating a commission to revise the laws of this State
2 concerning certain financial institutions, prescribing its powers and
3 duties and making an appropriation therefor.

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

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8 1. There is hereby created a Banking Law Revision Commission
9 which shall consist of seven members, two of whom shall be appointed
10 by the President of the Senate, two by the Speaker of the General
11 Assembly, by the Governor, and the Commissioner of Banking, ex
12 officio, or the commissioner's designee. All members of the
13 commission shall serve without compensation but shall be entitled to
14 receive reimbursement for expenses incurred in performing their
15 duties. In the event of a vacancy of the commission, that vacancy shall
16 be filled in the same manner in which the original appointment was
17 made.

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19 2. The commission shall organize as soon as convenient after the
20 appointment of its members and shall select a chair from among its
21 members, who shall be the approval officer for all expenditures by the
22 commission. In the event of a vacancy in the position of chair, that
23 vacancy shall be filled by election among the members of the
24 commission who shall be serving following the occurrence of that
25 vacancy. The commission may also designate from time to time a
26 member of its staff or any other person to serve as its secretary.

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28 3. The Banking Law Revision Commission shall study and prepare
29 for enactment by the Legislature, if the Legislature shall so determine,
30 revisions to, or supplements for, the laws of this State related to
31 banks, savings banks and savings and loan associations, as presently
32 contained in Title 17 of the Revised Statutes, and if deemed advisable
33 by the commission, as presently contained in other titles of the Revised
34 Statutes, insofar as they relate to the organization, powers, business
35 activities and limitations applicable to those financial institutions. The

1 goal of the commission shall be to propose comprehensive revisions
2 which, consistent with the interests of New Jersey consumers, allow
3 New Jersey based financial institutions to compete effectively and
4 efficiently in the changing environment of interstate banking and
5 branching, as well as international banking, with specific emphasis on
6 the elimination of inconsistencies between federal and State law,
7 coordination with the law of other jurisdictions which affects banks
8 with branches in multiple jurisdictions, and generally to insure that
9 New Jersey is an attractive and productive location from which banks,
10 savings banks and savings and loan associations may conduct business.
11 In so doing, the commission shall endeavor to modernize the banking
12 laws of this State so as to embody principles and procedures
13 representing the best in modern American statutory law applicable to
14 banks, savings banks and savings and loan associations in general, to
15 eliminate ambiguities, outmoded procedures and conflicting,
16 overlapping and redundant provisions, and to present statutes
17 applicable to banks, savings banks and savings and loan associations
18 in a logical, clear and concise manner. The commission shall solicit
19 the comments of officers, attorneys and accountants for national and
20 State banks, savings banks and savings and loan associations located
21 in New Jersey, international banks which may be located or
22 contemplate locating in New Jersey, consumer groups in New Jersey
23 and their advocates, the Department of Banking, other bank regulatory
24 agencies, and other constituencies and persons as the commission
25 deems appropriate.

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27 4. In the performance of its work, the commission may utilize
28 consultants and shall be entitled to accept the assistance and services
29 of employees of any department of the State Government, board,
30 bureau, commission, office or agency as may be made available to it,
31 and to employ legal, stenographic, technical and clerical assistance,
32 and incur such traveling, printing, and other miscellaneous expenses
33 as it may deem necessary in order to perform its duties and to
34 disseminate its reports and proposals among those interested in the
35 State, provided that the aggregate of all expenditures for those
36 purposes shall be within the limits of the funds appropriated or
37 otherwise made available to it therefor.

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39 5. The commission shall prepare and submit to the Legislature and
40 to the Governor one or more reports, setting forth the text of any
41 proposed revisions, in the form of legislative bills and statements of
42 the basic policy determinations involved therein, and the principal
43 changes in existing law, which the proposed revisions will accomplish,
44 as soon as may be feasible, but not later than September 30, 1997.

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46 6. There is appropriated to the commission from the General Fund

1 the sum of \$25,000 to carry out the purposes of this act.

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3 7. This act shall take effect immediately.

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STATEMENT

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8 This bill creates a Banking Law Revision Commission for the
9 purpose of studying and suggesting revisions to existing laws affecting
10 the establishment and operation of banks, savings banks and savings
11 and loan associations in this State. With the passage of the federal
12 "Riegle-Neal Interstate Banking and Branching Efficiency Act of
13 1994" and the advent of interstate branching, the general context of
14 banking has changed dramatically necessitating a review and revision
15 of the statutes.

16 The commission shall consist of seven members, two of whom shall
17 be appointed by the President of the Senate, two by the Speaker of the
18 General Assembly, two by the Governor, and the Commissioner of
19 Banking, ex officio, or the commissioner's designee. The goal of the
20 commission shall be to propose comprehensive revisions which,
21 consistent with the interests of New Jersey consumers, will allow New
22 Jersey-based financial institutions to compete effectively and efficiently
23 in the changing environment of interstate banking and branching, as
24 well as international banking, with specific emphasis on the elimination
25 of inconsistencies between federal and State law, coordination with the
26 law of other jurisdictions which affects banks with branches in multiple
27 jurisdictions, and to insure that New Jersey is an attractive and
28 productive location from which banks, savings banks and savings and
29 loan associations may conduct business.

30 In the performance of its work, the commission may utilize
31 consultants and shall be entitled to accept the assistance and services
32 of employees of any department, board, bureau, commission, office or
33 agency of the State Government as may be made available to it, and to
34 employ legal, stenographic, technical and clerical assistance, and incur
35 such traveling, printing, and other miscellaneous expenses as it may
36 deem necessary in order to perform its duties and to disseminate its
37 reports and proposals among those interested in the State, provided
38 that the aggregate of all expenditures for those purposes shall be
39 within the limits of the funds appropriated or otherwise made available
40 to it.

41 As soon as may be feasible, but not later than September 30, 1997,
42 the commission shall prepare and submit to the Legislature and to the
43 Governor one or more reports setting forth the text of any proposed
44 revisions, in the form of legislative bills and statements of the basic
45 policy determinations involved therein, and the principal changes in
46 existing law which the proposed revisions will accomplish.

1 The bill appropriates to the commission from the General Fund the
2 sum of \$25,000 to carry out the purposes of this act.

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7 Creates a Banking Law Revision Commission, appropriates \$25,000.