

ASSEMBLY FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2018**

**STATE OF NEW JERSEY**

DATED: JUNE 3, 1996

The Assembly Financial Institutions Committee reports favorably Assembly Bill No. 2018.

This bill amends the section of law governing the fiduciary powers of qualified banks, including State and federally chartered banks authorized to act as fiduciaries. More specifically, the bill amends the provisions governing fees for services to provide that a bank may collect a reasonable advisory fee or commission for investing assets of a fiduciary account in an investment company from which that same qualified bank is collecting advisory fees or commissions. The fee and the basis for calculating the fee must be disclosed not less than annually to the current income beneficiaries of the fiduciary account in a notice to such beneficiaries. If a qualified bank receives a written objection from any current income beneficiary within 30 days after that beneficiary received the notice from the qualified bank, no investment of the assets of the fiduciary account shall then be made or maintained in the investment company.