

SENATE, No. 308

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Senator INVERSO

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.

4

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

7

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, two 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.

18

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.

27

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.

26

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.

38

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.

45

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.

2

3 7. This act shall take effect immediately.

4

5

6

7

#### STATEMENT

8

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

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

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

43 As soon as may be feasible, but not later than September 30,  
44 1997, the commission shall prepare and submit to the Legislature  
45 and to the Governor one or more reports setting forth the text of  
46 any proposed revisions, in the form of legislative bills and

1 statements of the basic policy determinations involved therein, and  
2 the principal changes in existing law which the proposed revisions  
3 will accomplish.

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

6

7

8

9

10 Creates a Banking Law Revision Commission, appropriates  
11 \$25,000.